



*VINTON COUNTY, OHIO*

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**SINGLE AUDIT**

**For the Year Ended December 31, 2013**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

June 24, 2014

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**For the Year Ended December 31, 2013**

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, (the County) as of and for the year ended December 31, 2013, and 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 the preparation and fair presentation of these financial statements in accordance with cash basis accounting as described in Note 2; this includes determining that the cash basis of accounting is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 the County as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund and Motor Vehicle Gasoline Tax Fund and thereof for the year then ended in conformity with the accounting basis Note 2 describes.

***Accounting Basis***

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

***Emphasis of Matter***

As described in Note 15, during 2013 the County adopted Governmental Accounting Standards Board Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," GASB Statement No. 66, "Technical Corrections – 2012 – An Amendment of GASB Statement No. 10 and No. 62," GASB Statement No. 69, "Government Combinations and Disposals of Government Operations," and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." Our opinion is not modified with respect to this matter.

***Other Matters***

***Supplemental and Other Information***

Our audit was conducted for the purpose of forming opinions on the County's basic financial statements taken as a whole. Management's Discussion and Analysis includes tables of net position, changes in net position, cost of program services, and long-term debt. The schedule of expenditures of federal awards is required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These tables and the schedule of expenditures of federal awards provide additional analysis and are not a required part of the basic financial statements.

These tables and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the tables and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in the Management's Discussion and Analysis, and 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 a report dated May 1, 2014 on our consideration of the Vinton County, Ohio'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vinton County, Ohio's internal control over financial reporting and compliance.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, OH

May 1, 2014

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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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, 2013. 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 2013 are as follows:

- Net position of governmental activities increased \$151,625.
- General cash receipts accounted for \$4,291,527 in receipts or 37 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for \$7,278,939 or 63 percent of total cash receipts of \$11,570,466.
- The County had \$11,418,841 in cash disbursements related to governmental activities; \$7,278,939 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, and property taxes) of \$4,291,527 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 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.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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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 2013, 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.

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 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.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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*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 2013 as compared to 2012:

Table 1  
 Net Position – Cash Basis  
 Governmental Activities

	2013	2012
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$4,574,333	\$4,422,708
<i>Total Assets</i>	4,574,333	4,422,708
 <i>Net Position</i>		
Restricted	3,693,054	3,766,556
Unrestricted	881,279	656,152
<i>Total Net Position</i>	\$4,574,333	\$4,422,708

The increase in Equity in Pooled Cash and Cash Equivalents is primarily due to the reasons described on page 8.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

Table 2 shows the highlights of the County's cash receipts and cash disbursements. These two main components are subtracted to yield the change in net 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 loans and notes, payments in lieu of taxes, and miscellaneous receipts.

Table 2  
Change in Net Position – Cash Basis  
Governmental Activities

	2013	2012
<i>Cash Receipts</i>		
<i>Program Cash Receipts:</i>		
Charges for Services	\$2,037,233	\$2,237,859
Operating Grants and Contributions	5,071,231	11,105,803
Capital Grants and Contributions	170,475	150,218
<i>Total Program Cash Receipts</i>	<u>7,278,939</u>	<u>13,493,880</u>
<i>General Cash Receipts:</i>		
Property Taxes	1,516,542	1,655,879
Sales Taxes	1,150,447	1,119,893
Unrestricted Grants and Entitlements	672,859	368,379
Interest	32,737	31,309
Issuance of Loans	175,916	174,611
Payments in Lieu of Taxes	254,794	276,354
Miscellaneous	488,232	1,004,126
<i>Total General Cash Receipts</i>	<u>4,291,527</u>	<u>4,630,551</u>
Total Cash Receipts	11,570,466	18,124,431
<i>Cash Disbursements</i>		
<i>Program Cash Disbursements:</i>		
General Government:		
Legislative and Executive	2,206,441	2,095,138
Judicial	678,167	713,349
Public Safety	1,224,577	1,103,941
Public Works	2,986,655	3,554,993
Health	2,121,334	1,988,132
Human Services	130,157	4,838,407
Conservation and Recreation	14,492	18,111
Community and Economic Development	1,122,396	1,815,130
Other	167,013	154,991
Capital Outlay	453,078	383,268
Debt Service:		
Principal Retirement	218,786	1,016,305
Interest and Fiscal Charges	95,745	120,241
Total Cash Disbursements	<u>11,418,841</u>	<u>17,802,006</u>
<i>Change in Net Position</i>	151,625	322,425
<i>Net Position – Beginning of Year</i>	4,422,708	4,100,283
<i>Net Position – End of Year</i>	<u>\$4,574,333</u>	<u>\$4,422,708</u>

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

Net position increased \$151,625 in governmental activities in 2013 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 \$7,278,939. Operating grants and contributions, miscellaneous receipts, and human services cash disbursements decreased as a direct result of the formation of the South Central Ohio Job and Family Services, which took over operation of the former Vinton County Jobs and Family Services Agency. Unrestricted grants and entitlements increased due to additional monies received for stumpage and from casinos. The decrease in principal retirements is due to the payoff of the short-term obligations in the prior year. Public Works decreased due to decreased expenditures within the Motor Vehicle and Gas Tax program. Community and Economic Development decreased due to decreased expenditures in the CDBG, Natureworks, and Appalachian Regional Commission programs.

**Governmental Activities**

Operating grants and contributions made up 43 percent of cash receipts for governmental activities of the County for 2013. Property tax receipts made up 13 percent of the total cash receipts for governmental activities for a total of 56 percent of all cash receipts coming from property taxes and operating grants and contributions.

Public works cash disbursements comprise 26 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

	2013		2012	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	\$2,206,441	\$1,570,259	\$2,095,138	\$1,304,604
Judicial	678,167	362,537	713,349	314,572
Public Safety	1,224,577	570,775	1,103,941	465,065
Public Works	2,986,655	511,017	3,554,993	298,540
Health	2,121,334	375,960	1,988,132	180,950
Human Services	130,157	91,350	4,838,407	476,899
Conservation and Recreation	14,492	2,479	18,111	1,521
Community and Economic Development	1,122,396	192,043	1,815,130	152,431
Other	167,013	129,692	154,991	(113,607)
Capital Outlay	453,078	173,574	383,268	233,050
Debt Service:				
Principal Retirement	218,786	135,950	1,016,305	943,821
Interest and Fiscal Charges	95,745	24,266	120,241	50,280
<b>Total Cash Disbursements</b>	<b>\$11,418,841</b>	<b>\$4,139,902</b>	<b>\$17,802,006</b>	<b>\$4,308,126</b>

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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***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 \$11,855,757 and cash disbursements and other financing uses of \$11,704,132. The net change in fund balance for the year was most significant in the Motor Vehicle Gasoline Tax Fund, which went from \$1,350,966 in 2012 to \$1,587,517 in 2013. Cash receipts and other financing sources exceeded cash disbursements and other financing uses in the amount of \$236,551.

General Fund cash receipts and other financing sources exceeded cash disbursements and other financing uses by \$225,127. Cash receipts increased due to monies received from casinos and stumpage.

***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 \$114,177 from original budgeted revenue, while actual receipts and other financing sources increased \$627,076 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 \$79,169. Final appropriations were above original appropriations by \$114,177 due primarily to estimates for transfers out.

The County's ending unobligated General Fund cash balance was \$706,245.

***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 \$453,078 during 2013.

**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, 2013, the County had \$1,824,720 in bonds and loans for governmental activities with \$116,835 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

	2013	2012
County Courthouse Elevator	\$109,645	\$121,941
Juvenile Training District	86,343	95,526
County Job and Family Services Building	1,413,039	1,480,815
OWDA Loan	-	3,550
HVAC Project Promissory Note	97,925	108,351
Auditor/Treasurer Computer Equipment	54,768	64,407
Community and Economic Development Building	63,000	65,000
Totals	<u>\$1,824,720</u>	<u>\$1,939,590</u>

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2013*  
*Unaudited*

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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, 2013, the County's overall legal debt margin was \$2,581,051 with an unvoted debt margin of \$1,937,180. 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).

**Vinton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2013*

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 4,574,333
<i>Total Assets</i>	<u>4,574,333</u>
<b>NET POSITION:</b>	
Restricted for:	
Debt Service	12,541
Capital Projects	60,570
Motor Vehicle Gasoline Tax	1,587,517
Department of Developmental Disabilities	363,052
Other Purposes	893,362
Housing Contractual	171,026
EMS Levy	150,913
Real Estate Assessment	454,073
Unrestricted	881,279
<i>Total Net Position</i>	<u>\$ 4,574,333</u>

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

**Vinton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2013*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Total
<b>Governmental Activities:</b>					
<b>General Government:</b>					
Legislative and Executive	\$ 2,206,441	\$ 435,425	\$ 200,757	\$ -	\$ (1,570,259)
Judicial	678,167	126,180	189,450	-	(362,537)
Public Safety	1,224,577	222,502	431,300	-	(570,775)
Public Works	2,986,655	486,532	1,989,106	-	(511,017)
Health	2,121,334	346,398	1,398,976	-	(375,960)
Human Services	130,157	25,604	13,203	-	(91,350)
Conservation and Recreation	14,492	2,361	9,652	-	(2,479)
Community and Economic Development	1,122,396	182,840	747,513	-	(192,043)
Other	167,013	33,649	3,672	-	(129,692)
Capital Outlay	453,078	21,427	87,602	170,475	(173,574)
<b>Debt Service:</b>					
Principal Retirement	218,786	82,836	-	-	(135,950)
Interest and Fiscal Charges	95,745	71,479	-	-	(24,266)
<i>Total Governmental Activities</i>	<u>\$ 11,418,841</u>	<u>\$ 2,037,233</u>	<u>\$ 5,071,231</u>	<u>\$ 170,475</u>	<u>(4,139,902)</u>
<b>General Cash Receipts</b>					
<b>Property Taxes Levied for:</b>					
General Purposes					730,718
MRDD					292,641
Special Purposes					493,183
Sales Taxes Levied for General Purposes					1,150,447
<b>Grants and Entitlements Not</b>					
Restricted to Specific Programs					672,859
Issuance of Loans					175,916
Payments in Lieu of Taxes					254,794
Miscellaneous					488,232
Interest					32,737
<i>Total General Cash Receipts</i>					<u>4,291,527</u>
<i>Change in Net Position</i>					151,625
<i>Net Position Beginning of Year</i>					<u>4,422,708</u>
<i>Net Position End of Year</i>					<u>\$ 4,574,333</u>

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

**Vinton County**  
*Statement of Cash Basis Assets and Fund Balances and  
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis  
As of and For the Year Ended December 31, 2013*

	General	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
<b>CASH RECEIPTS:</b>				
Taxes	\$ 1,881,165	\$ -	\$ 785,824	\$ 2,666,989
Charges for Services	552,996	201,926	1,110,660	1,865,582
Licenses and Permits	2,202	-	-	2,202
Fines and Forfeitures	104,925	11,861	52,663	169,449
Intergovernmental	669,277	3,138,388	2,106,900	5,914,565
Interest	30,957	1,607	173	32,737
Payments in Lieu of Taxes	254,794	-	-	254,794
Other	138,248	37,938	312,046	488,232
<i>Total Cash Receipts</i>	<u>3,634,564</u>	<u>3,391,720</u>	<u>4,368,266</u>	<u>11,394,550</u>
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Legislative and Executive	1,970,035	-	236,406	2,206,441
Judicial	407,147	-	271,020	678,167
Public Safety	596,674	-	627,903	1,224,577
Public Works	-	2,986,655	-	2,986,655
Health	21,472	-	2,099,862	2,121,334
Human Services	114,099	-	16,058	130,157
Conservation and Recreation	-	-	14,492	14,492
Community and Economic Development	-	-	1,122,396	1,122,396
Other	167,013	-	-	167,013
Capital Outlay	-	109,801	343,277	453,078
Debt Service:				
Principal Retirement	-	-	218,786	218,786
Interest and Fiscal Charges	-	-	95,745	95,745
<i>Total Cash Disbursements</i>	<u>3,276,440</u>	<u>3,096,456</u>	<u>5,045,945</u>	<u>11,418,841</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>358,124</u>	<u>295,264</u>	<u>(677,679)</u>	<u>(24,291)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	40,323	150,711	191,034
Advances In	4,127	-	90,130	94,257
Issuance of Loans	-	-	175,916	175,916
Other Financing Use	-	-	-	-
Transfers Out	(91,994)	(54,036)	(45,004)	(191,034)
Advances Out	(45,130)	(45,000)	(4,127)	(94,257)
<i>Total Other Financing Sources (Uses)</i>	<u>(132,997)</u>	<u>(58,713)</u>	<u>367,626</u>	<u>175,916</u>
<i>Net Change in Fund Cash Balances</i>	225,127	236,551	(310,053)	151,625
<i>Cash Basis Fund Balances at Beginning of Year</i>	<u>656,152</u>	<u>1,350,966</u>	<u>2,415,590</u>	<u>4,422,708</u>
<i>Cash Basis Fund Balances at End of Year</i>	<u>\$ 881,279</u>	<u>\$ 1,587,517</u>	<u>\$ 2,105,537</u>	<u>\$ 4,574,333</u>
<b>CASH BASIS ASSETS AT END OF YEAR:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 881,279</u>	<u>\$ 1,587,517</u>	<u>\$ 2,105,537</u>	<u>\$ 4,574,333</u>
<i>Total Assets</i>	<u>\$ 881,279</u>	<u>\$ 1,587,517</u>	<u>\$ 2,105,537</u>	<u>\$ 4,574,333</u>
<b>CASH FUND BALANCES AT YEAR END:</b>				
Nonspendable	\$ 84,109	\$ -	\$ -	\$ 84,109
Restricted	-	1,587,517	2,105,537	3,693,054
Assigned	77,111	-	-	77,111
Unassigned	720,059	-	-	720,059
<i>Total Cash Basis Fund Balances</i>	<u>\$ 881,279</u>	<u>\$ 1,587,517</u>	<u>\$ 2,105,537</u>	<u>\$ 4,574,333</u>

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

**Vinton County**  
*Statement of Receipts, Disbursements, And Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Taxes	\$ 1,467,065	\$ 1,530,218	\$ 1,874,779	\$ 344,561
Charges for Services	291,676	304,232	372,736	68,504
Licenses and Permits	1,723	1,797	2,202	405
Fines and Forfeitures	82,107	85,641	104,925	19,284
Intergovernmental	484,996	505,874	619,782	113,908
Interest	23,981	25,013	30,645	5,632
Payments in Lieu of Taxes	199,383	207,966	254,794	46,828
Other	101,450	105,817	129,644	23,827
<i>Total Receipts</i>	<u>2,652,381</u>	<u>2,766,558</u>	<u>3,389,507</u>	<u>622,949</u>
<b>DISBURSEMENTS:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	1,857,852	1,962,292	1,913,945	48,347
Judicial	222,629	238,048	229,740	8,308
Public Safety	704,660	604,847	596,674	8,173
Health	21,472	21,472	21,472	-
Human Services	55,673	128,440	114,099	14,341
Other	203,728	167,013	167,013	-
<i>Total Disbursements</i>	<u>3,066,014</u>	<u>3,122,112</u>	<u>3,042,943</u>	<u>79,169</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(413,633)</u>	<u>(355,554)</u>	<u>346,564</u>	<u>702,118</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Advances In	-	-	4,127	4,127
Transfers Out	(79,045)	(91,994)	(91,994)	-
Advances Out	-	(45,130)	(45,130)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(79,045)</u>	<u>(137,124)</u>	<u>(132,997)</u>	<u>4,127</u>
<i>Net Change in Fund Balance</i>	(492,678)	(492,678)	213,567	706,245
<i>Fund Balance at Beginning of Year</i>	492,678	492,678	492,678	-
<i>Fund Balance at End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,245</u>	<u>\$ 706,245</u>

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

**Vinton County**  
*Statement of Receipts, Disbursements, And Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*Motor Vehicle Gasoline Tax Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Charges for Services	\$ 151,838	\$ 178,096	\$ 201,926	\$ 23,830
Fines and Forfeitures	8,919	10,461	11,861	1,400
Intergovernmental	2,359,914	2,768,008	3,138,388	370,380
Interest	1,208	1,417	1,607	190
Other	28,528	33,461	37,938	4,477
<i>Total Receipts</i>	<u>2,550,407</u>	<u>2,991,443</u>	<u>3,391,720</u>	<u>400,277</u>
<b>DISBURSEMENTS:</b>				
Current:				
Public Works	2,912,000	3,037,000	2,986,655	50,345
Capital Outlay	450,000	405,000	109,801	295,199
<i>Total Disbursements</i>	<u>3,362,000</u>	<u>3,442,000</u>	<u>3,096,456</u>	<u>345,544</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(811,593)</u>	<u>(450,557)</u>	<u>295,264</u>	<u>745,821</u>
<b>OTHER FINANCING SOURCE (USES):</b>				
Transfers In	-	-	40,323	40,323
Transfers Out	(38,000)	(354,036)	(54,036)	300,000
Advances Out	-	(45,000)	(45,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(38,000)</u>	<u>(399,036)</u>	<u>(58,713)</u>	<u>340,323</u>
<i>Net Change in Fund Balance</i>	(849,593)	(849,593)	236,551	1,086,144
<i>Fund Balance at Beginning of Year</i>	<u>1,350,966</u>	<u>1,350,966</u>	<u>1,350,966</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 501,373</u>	<u>\$ 501,373</u>	<u>\$ 1,587,517</u>	<u>\$ 1,086,144</u>

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, 2013*

	Private Purpose Trust Fund	Agency Funds
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 15,279	\$ 2,010,225
Cash and Cash Equivalents in Segregated Accounts	-	131,364
<i>Total Assets</i>	<u>\$ 15,279</u>	<u>\$ 2,141,589</u>
<b>NET POSITION:</b>		
Unrestricted	\$ -	\$ 2,141,589
Held in Trust for Private Purposes	15,279	-
<i>Total Net Position</i>	<u>\$ 15,279</u>	<u>\$ 2,141,589</u>

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, 2013*

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	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	\$ 90
<i>Total Additions</i>	90
DEDUCTIONS:	
Scholarship's Awarded	-
<i>Increase in Net Position</i>	90
<i>Net Position Beginning of Year</i>	15,189
<i>Net Position End of Year</i>	\$ 15,279

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The County uses the provisions of GASB 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net 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-cash basis presents the cash basis financial condition of the governmental activities of the County at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental activities. These statements include the financial activities of the primary government, except for fiduciary funds. Direct cash disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the County.

***Fund Financial Statements***

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

**B. Fund Accounting**

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

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

*General Fund* The General Fund is the primary operating fund. It accounts for all financial resources of the primary government not 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.

*Motor Vehicle Gasoline Tax Fund* This fund accounts for state gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads. The primary source of revenue for this fund is intergovernmental monies.

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

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

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

**C. Basis of Presentation**

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

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

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

***Cash Receipts-Exchange and Non-exchange Transactions***

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

***Cash Disbursements***

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

**D. Budgetary Process**

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

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

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

**E. Cash and Cash Equivalents**

To improve cash management, all cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. For 2013, interest receipts amounted to \$32,827, which \$30,957 was recorded in the General Fund, \$1,607 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, \$173 in all other governmental funds, and \$90 in the Private Purpose Trust Fund.

**F. Capital Assets**

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

**G. Compensated Absences**

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

**H. Long-Term Obligations**

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

**I. Interfund Transactions**

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

**J. Net Position**

Net position represents the cash basis assets held by the County at year end. 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 grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available.

Of the County's \$3,693,054 in restricted net position, none is restricted by enabling legislation.

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

**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 the 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 removes or changes 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.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

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

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

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

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

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

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

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

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

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

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

***Deposits***

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

As of December 31, 2013, the County's bank balance of \$6,913,962 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

**NOTE 4- BUDGETARY BASIS FUND BALANCES**

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 Motor Vehicle Gasoline Tax Special Revenue Fund, 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) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). There were no outstanding encumbrances at year end. 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 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.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semiannually.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Certain public utility property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The assessed value for the taxes levied in 2013 was \$203,181,430 of which real property represented 79 percent (\$161,136,550) of the total and public utility property represented 21 percent (\$42,044,880) of the total. The full tax rate for all County operations for taxes collected in 2013 was \$14.75 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 State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2013 amounted to \$1,150,447.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**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 2013, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a \$0 to \$5,000 deductible per occurrence:

	<u>Aggregate</u>	<u>Ea. Occurrence</u>
General Liability	\$3,000,000	\$1,000,000
Public Officials Including		
Law Enforcement	3,000,000	1,000,000
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 \$15,132,835.

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

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

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

**NOTE 8 - RETIREMENT SYSTEM**

**Ohio Public Employees Retirement System (OPERS)**

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
  - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 8 - RETIREMENT SYSTEM** (Continued)

- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The member contribution rates were 10.0%, 10.0%, and 10.0% for 2013, 2012, and 2011, respectively, for the County. Public safety and law enforcement members contributed at a rate of 12.0% and 12.6%, 11.5% and 12.1%, and 11.0% and 11.6%, respectively.

The employer contribution rates were 14.0%, 14.0%, and 14.0%, of covered payroll for 2013, 2012, and 2011, respectively, for the County. For both the law enforcement and public safety divisions, the employer contribution rates were 18.10%, 18.10%, and 18.10%, respectively.

The County's contributions to OPERS for the years ended December 31, 2013, 2012, and 2011 were \$708,300, \$979,665, and \$1,027,371, respectively, which were equal to the required contributions for those years.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System (OPERS)**

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

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

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2013, the County contributed at 14.0% of covered payroll for local government employer units and 18.1% for public safety and law enforcement. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**NOTE 9 - POSTEMPLOYMENT BENEFITS** (Continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar years 2012 and 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar years 2012 and 2011. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$50,573 for 2013, \$279,890 for 2012, and \$293,519 for 2011, which were equal to the required allocation for each year.
- D. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**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 2013 is as follows:

Types/Issues	Outstanding At 12/31/12	Increases	Decreases	Outstanding At 12/31/13	Due in One Year
2000 - 5.75 % County Courthouse Elevator Project General Obligation Bonds	\$ 121,941	\$ -	\$ (12,296)	\$ 109,645	\$ 13,012
2001 - 5.50% Juvenile Training District General Obligation Bonds	95,526	-	(9,183)	86,343	9,695
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	1,480,815	-	(67,776)	1,413,039	71,278
2002 - 0% OWDA Loan	3,550	-	(3,550)	-	-
2012 -3.52% HVAC Project Promissory Note	108,351	-	(10,426)	97,925	10,797
2012 - OWDA ARRA Forgiveness Loan	-	85,916	(85,916)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	65,000	-	(2,000)	63,000	2,000
2009 - 4.25% Auditor/Treasurer Computer Equipment General Obligation Note	64,407	-	(9,639)	54,768	10,053
<b>Total</b>	<b>\$ 1,939,590</b>	<b>\$ 85,916</b>	<b>\$ (200,786)</b>	<b>\$ 1,824,720</b>	<b>\$ 116,835</b>

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**NOTE 10 - LONG-TERM DEBT** (Continued)

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

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

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

The County issued an OWDA loan in 2002 in the amount of \$42,600 for the community development septic system replacement project.

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 2009 in the amount of \$100,185 for a new computer operating system for the Auditor and Treasurer.

The County issued a loan in 2012 in the amount of \$119,268 for the Vinton County Courthouse HVAC project. This loan is to be repaid through the Courthouse HVAC Debt Service Fund.

The debt service on the General Obligation Bond issues is payable from the Debt Service Funds. The debt service on the outstanding OWDA loan is payable from the Community Development Fund. The debt service on the computer operating system is payable from the Auditor/Treasurer Special Project Fund.

The County issued an OWDA loan in 2012 in the amount of \$260,000. As of December 31, 2013, \$141,259 had been disbursed to the County, with \$85,916 disbursed during 2013 for the water pollution control project. The OWDA loan was paid by principal forgiveness from the American Reinvestment and Recovery Act.

At December 31, 2013, the County's overall legal debt margin was \$2,581,051 with an unvoted debt margin of \$1,937,180.

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

	Job & Family Services		Elevator Project		Detention & Rehabilitation	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$71,278	\$71,168	\$13,012	\$6,064	\$9,695	\$4,671
2015	74,958	67,486	13,771	5,305	10,235	4,131
2016	78,830	63,616	14,575	4,502	10,806	3,560
2017	82,902	59,544	15,425	3,652	11,409	2,957
2018	87,184	55,262	16,325	2,752	12,045	2,321
2019-2023	508,296	203,924	36,537	2,593	32,153	2,782
2024-2027	509,591	60,189	-	-	-	-
Totals	\$1,413,039	\$581,189	\$109,645	\$24,868	\$86,343	\$20,422

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**NOTE 10 - LONG-TERM DEBT** (Continued)

	Community & Economic Development		Auditor & Treasurer Computer System		HVAC Project	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$2,000	\$2,599	\$10,053	\$2,222	\$10,797	\$3,353
2015	2,000	2,516	10,485	1,790	11,180	2,969
2016	2,000	2,434	10,931	893	11,569	2,579
2017	3,000	2,351	11,405	870	11,987	2,161
2018	3,000	2,228	11,894	380	12,413	1,736
2019-2023	15,000	9,282	-	-	39,979	2,501
2024-2028	18,000	6,065	-	-	-	-
2029-2033	18,000	1,940	-	-	-	-
Totals	\$63,000	\$29,415	\$54,768	\$6,155	\$97,925	\$15,299

**NOTE 11 - INTERFUND TRANSACTIONS**

**A. Interfund Advances**

Advances in and out during the year ended December 31, 2013 consisted of the following:

	Advances In	Advances Out
General Fund	\$4,127	\$45,130
Motor Vehicle Gas Tax Fund	0	45,000
Non-Major Funds	90,130	4,127
Total All Funds	<u>\$94,257</u>	<u>\$94,257</u>

During 2013, the General Fund advanced monies to non-major governmental funds in anticipation of intergovernmental grant revenue. Advances from the General Fund and Motor Vehicle Gas Tax Fund to the Non-Major funds, was to purchase two new sheriff's cruisers in anticipation of intergovernmental grant revenue. Advances among nonmajor funds were between grant funds with similar activity, functions and funding sources, and were made in anticipation of intergovernmental revenue. The Non-Major funds also returned back advances to the General Fund during 2013.

**B. Interfund Transfers**

The following transfers in and out were made during 2013:

	Transfers In	Transfers Out
General Fund	\$0	\$91,994
MVGT	40,323	54,036
Non-Major Funds	150,711	45,004
Total All Funds	<u>\$191,034</u>	<u>\$191,034</u>

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 from Non-Major Funds to the MGVT Fund are for FEMA reimbursements. Transfers between Non-major funds are for debt payments.

**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.

***South Central Regional Juvenile Detention Center***

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2013, Vinton County contributed \$46,234 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.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

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 2013, Vinton County paid \$100,694 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](http://www.ohioplan.com). The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

***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, Fayette, Gallia, Highland, Jackson, Lawrence, 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, 2013, 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.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

***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 2013. 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.

***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 will now be 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**

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

**NOTE 15 - CHANGES IN ACCOUNTING PRINCIPLES**

For 2013, the County implemented Governmental Accounting Standard Board (GASB) Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” Governmental Accounting Standards Board (GASB) Statement No. 66, “Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62,” GASB Statement No. 69, “Government Combinations and Disposals of Government Operations,” and GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees.”

GASB Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Statement No. 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, and transfers of operations.

Statement No. 70 improves accounting and financial reporting by state and local governments that extend and receive non exchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The implementation of GASB Statements No. 62, 65, 66, 69, and 70 had no effect on the financial statements.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

**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	Motor Vehicle Gasoline Tax	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>				
Unclaimed Monies	\$ 84,109	\$ -	\$ -	\$ 84,109
<b>Restricted for</b>				
Other Purposes	-	-	893,362	893,362
EMS	-	-	150,913	150,913
Housing Contractual	-	-	171,026	171,026
Real Estate Assessment	-	-	454,073	454,073
Road Repair and Other Purposes	-	1,587,517	-	1,587,517
Board of DD	-	-	363,052	363,052
Debt Services Payments	-	-	12,541	12,541
Capital Improvements	-	-	60,570	60,570
Total Restricted	<u>-</u>	<u>1,587,517</u>	<u>2,105,537</u>	<u>3,693,054</u>
<b>Assigned to</b>				
Other Purposes	<u>77,111</u>	<u>-</u>	<u>-</u>	<u>77,111</u>
<b>Unassigned</b>				
	<u>720,059</u>	<u>-</u>	<u>-</u>	<u>720,059</u>
Total Fund Balances	<u>\$ 881,279</u>	<u>\$ 1,587,517</u>	<u>\$ 2,105,537</u>	<u>\$ 4,574,333</u>

**NOTE 17 – SUBSEQUENT EVENT**

No events were noted subsequent to December 31, 2013 which would have a significant effect on the financial statements through the date of this report.

**NOTE 18 – LOAN RECEIVABLE**

During 2012, the Vinton County DD loaned Vinton Industries, Inc. a sum of \$100,000. Effective with invoices received by Vinton County DD from Vinton Industries, Inc. on or after October 1, 2012, Vinton County DD will retain \$4,000 from the payment of each invoice as repayment of the loan. As of December 31, 2013, the balance of the loan was paid in full.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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**NOTE 19 – SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES**

Effective January 1, 2013 the County participates 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 period Vinton County is due \$9,204.23 in IV-E funds from ODJFS.
- For the October-December period Vinton County is due \$22,487.56 in IV-E funds from ODJFS.
- The Vinton County CSEA fund is 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 is \$202,666.00.

In March of 2013, the County signed an agreement with ODJFS to repay the net reimbursement. The payments will be made quarterly beginning March 31, 2014 through December 31, 2018 in the amount of \$10,133.30.

**VINTON COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2013**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Department of Agriculture</u></b>			
<i>Direct from Federal Government</i>			
Rural Housing Preservation Grants	(2)	10.433	\$48,734
Total US Department of Agriculture			48,734
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through the Ohio Department Services Agency's Program</i>			
Community Development Block Grants:			
FY11 Community Development Program	B-F-11-1CW-1	14.228	1,107
FY12 Community Development Program	B-F-12-1CW-1	14.228	58,900
FY12 Fair Housing Assistance Program	B-F-12-1CW-1	14.228	3,100
FY11 Discretionary	B-D-11-1CW-2	14.228	41,127
Appalachian Regional Commission - Zaleski Watertank	B-P-11-1CW-2	14.228	72,000
Appalachian Regional Commission - Fairview	B-P-11-1CW-1	14.228	97,320
Total Community Development Block Grants			273,554
FY12 HOME	BC-12-1CW-2	14.239	39,709
FY12 CHIP	BC-12-1CW-1	14.239	40,000
FY12 CDBG Rehab	BC-12-1CW-1	14.239	58,444
FY12 Home Repair	BC-12-1CW-1	14.239	56,573
Total HOME Investment Partnership Program			194,726
Neighborhood Stabilization Program	B-Z-08-1CW-1	14.264	14,359
Total U.S. Department of Housing and Urban Development			482,639
<b><u>U.S. Department of Justice</u></b>			
Drug Court Discretionary Grant Program	2013-DC-BX-0045	16.585	23,770
<i>Passed through Ohio Office of Criminal Justice</i>			
Edward Byrne Justice Asst. Grant Formula Program	2012-DL-LEF-5851	16.738	12,725
Edward Byrne Justice Asst. Grant Formula Program	2012-JG-LLE-5115	16.738	6,106
Total Edward Byrne Justice Asst. Grant Formula Program			18,831
Total U.S. Department of Justice			42,601
<b><u>U.S. Department of Transportation</u></b>			
<i>Direct from Federal Government</i>			
Airport Improvement Program	(2)	20.106	300,394
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	(1)	20.205	11,200
Total U.S. Department of Transportation			311,594
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through the State Department of Developmental Disabilities</i>			
Social Services Block Grant	(1)	93.667	4,342
Medical Assistance Program	(1)	93.778	33,912
Total U.S. Department of Health and Human Services			38,254
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Passed through the Ohio Emergency Management Agency</i>			
Emergency Management Performance Grant	2013-EP-0060-S01	97.042	5,640
State Homeland Security Grant Program	2011-SS-00070	97.067	2,513
Total U.S. Department of Homeland Security			8,153

**VINTON COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2013**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Election Assistance Commission</u></b>			
<i>Passed through the Ohio Secretary of State</i>			
Voting Access for Individuals with Disabilities	(1)	93.617	1,020
Total U.S. Election Assistance Commission			1,020
Total Federal Expenditures			<u>\$932,995</u>

(1) - Passthrough entity number not available

(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

**VINTON COUNTY FINANCIAL CONDITION**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the year ended December 31, 2013**

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

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

**NOTE C - REVOLVING LOAN FUNDS**

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

These loans are collateralized by mortgages of property and equipment and by guarantees. At December 31, 2013, the gross amount of loans outstanding under this program were \$713,126.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the 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, 2013, and the notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 1, 2014, wherein we noted the County's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles. We also noted that the County adopted GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," GASB Statement No. 66, "*Technical Corrections – 2012 – An Amendment of GASB Statement No. 10 and No. 62*," GASB Statement No. 69, "*Government Combinations and Disposals of Government Operations*," and GASB Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*."

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified materials weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

Board of Commissioners  
Vinton County, Ohio  
Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Government'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. We consider finding 2013-002 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2013-001 and 2013-002.

We also noted certain matters that we have reported to the management of the County in a separate letter dated May 1, 2014.

### **Entity's Response to Finding**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

May 1, 2014

**Independent Auditor's Report on Compliance with Requirements Applicable for Each Major Program  
and on Internal Control over Compliance Required by OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Vinton County, Ohio (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Basis for Modified Opinion on Community Development Block Grant Program***

As described in the accompanying schedule of findings, the County did not comply with the requirements regarding Community Development Block Grant Program as described in finding number 2013-003 for Cash Management. Compliance with such a requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Board of Commissioners  
Vinton County, Ohio  
Independent Auditor's Report on Compliance with  
Requirements Applicable For Each Major Program  
and Report on Internal Control over Compliance

***Modified Opinion on Community Development Block Grant Program***

In our opinion, except for the noncompliance described in the Basis for Modified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Community Development Block Grant Program for the year ended December 31, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended December 31, 2013.

***Other Matters***

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. The County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of Vinton County, Ohio is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, in to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Board of Commissioners  
Vinton County, Ohio  
Independent Auditor's Report on Compliance with  
Requirements Applicable For Each Major Program  
and Report on Internal Control over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or detected and corrected, on a timely basis. *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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-003 to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. The County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

May 1, 2014

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2013**

**A. SUMMARY OF AUDITOR'S RESULTS**

<b>1. Type of Financial Statement Opinion</b>	Unmodified
<b>2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>3. Were there any other significant deficiencies in internal controls reported at the financial statement level (GAGAS)?</b>	No
<b>4. Was there any material noncompliance reported at the financial statement level (GAGAS)?</b>	Yes
<b>5. Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>6. Were there any other reportable internal control weaknesses reported for major federal programs?</b>	No
<b>7. Type of Major Programs' Compliance Opinion</b>	Modified - Community Development Block Grant Unmodified - Airport Improvement Program
<b>8. Are there any reportable findings under § .510?</b>	Yes
<b>9. Major Programs (list):</b>	Community Development Block Grant CFDA # 14.228 Airport Improvement Program CFDA # 20.106
<b>10. Dollar Threshold: Type A/B Programs</b>	Type A: >\$300,000 Type B: All Other Programs
<b>11. Low Risk Auditee?</b>	No

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2013**

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

***Finding Number 2013-001***

**Annual Financial Report - Noncompliance Citation**

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

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

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

**Officials Response**

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

***Finding Number 2013-002***

**Financial Statement Adjustments – Material Weakness**

Sound financial reporting is the responsibility of the County Auditor and Commissioners and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. A monitoring system by the County should be in place to prevent or detect misstatements to help ensure the accurate presentation of the County's financial statements.

Certain errors were corrected in the financial statements to ensure the financial statements were not materially misstated. The County made the following audit adjustments to the December 31, 2013 financial statements:

1. To properly record interfund loan as advances and remove from debt.
2. Adjustment were made to the notes to the financial statements.

Other errors were immaterial to the financial statements and were not deemed necessary to correct.

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2013**

***Finding Number 2013-002- (Continued)***

The adjustments identified above should be reviewed the County Auditor to ensure that similar errors are not reported on financial statements in subsequent years. In addition, we recommend the County adopt procedures for the review of the activity posted to the accounting records and implement monitoring procedures over the financial reporting process to ensure that financial information presented adheres to generally accepted accounting principles.

Officials Response

The County will discuss the issue with the compilers to find a resolution to the problem.

**C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

***Finding Number 2013-003***

CFDA Title and Number	Community Development Block Grants - 14.228
Grant Year	2013
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development
Finding Number	2013-002

**Cash Management (Fifteen-Day Rule) - Noncompliance Citation/Material Weakness**

OHCP Management Rules and Regulations, Section (A)(3)(f) states that grantees must develop a cash management system to ensure compliance with the Fifteen-Day Rule relating to prompt disbursement of Funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of the receipt of any funds.

The Grants Office maintained a fund balance of greater than \$5,000 several times throughout the year for longer than fifteen days after receipt of a draw in the CDBG Formula Grant.

The Grants Office should develop, implement, and monitor procedures to ensure that money drawn down is disbursed within fifteen days.

Officials Response

The director of the Grants Office has indicated that a policy will be developed to help ensure that grant draws will be disbursed within fifteen days of their receipt.

**VINTON COUNTY, OHIO**  
**Corrective Action Plan**  
**For the Year Ended December 31, 2013**

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<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Contact Person</b>
2013-001	The County does not anticipate filing on a GAAP basis until financial conditions improve.	No estimated date.	Cindy Owings Waugh, Auditor  County Commissioners: Timothy Eberts, President Michael Bledsoe Jerry Zinn
2013-002	The Auditor will closely review the financial statements with complier.	Immediate future	Cindy Owings Waugh, Auditor  County Commissioners: Timothy Eberts, President Michael Bledsoe Jerry Zinn
2013-003	The Grants Office director will monitor cash needs more closely to help ensure the prompt disbursement of grant funds.	Immediate future	Cindy Owings Waugh, Auditor  County Commissioners: Timothy Eberts, President Michael Bledsoe Jerry Zinn

**VINTON COUNTY, OHIO**  
**Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2013**

<b>Finding Number</b>	<b>Description</b>	<b>Status</b>	<b>Comments</b>
<i>Government Auditing Standards:</i>			
2012-001	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2013-001.
2012-002	Maintaining Supporting Documentation – Prosecutor’s FOJ Fund.	Corrected	N/A

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# Dave Yost • Auditor of State

VINTON COUNTY

VINTON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 8, 2014