VINTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dave Yost • Auditor of State

VINTON COUNTY
DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, as of December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General, and Motor Vehicle Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

September 18, 2018

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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, 2017. 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 2017 are as follows:

- Net position of governmental activities increased $1,772,053.

- General cash receipts accounted for $6,879,580 in receipts or 43 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for $9,061,267 or 57 percent of total cash receipts of $15,940,847.

- The County had $14,168,794 in cash disbursements related to governmental activities; $9,061,267 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, sales taxes, and property taxes) of $6,879,580 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.

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 2017, 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, such as the County's property tax base, the condition of the County's capital assets and infrastructure, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes and sales taxes.

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

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

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

The County as a Whole

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2017 as compared to 2016:

Table 1
Net Position – Cash Basis
Governmental Activities

	2017	2016
Assets		
Equity in Pooled Cash and Cash Equivalents	$7,170,067	$5,398,014
Total Assets	7,170,067	5,398,014
Net Position		
Restricted	5,007,345	4,501,500
Unrestricted	2,162,722	896,514
Total Net Position	$7,170,067	$5,398,014

The increase in Equity in Pooled Cash and Cash Equivalents is primarily due to the reasons described on page 9.

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

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

Table 2
Change in Net Position – Cash Basis
Governmental Activities

	2017	2016
Cash Receipts		
Program Cash Receipts:		
Charges for Services	$2,323,169	$2,258,835
Operating Grants and Contributions	5,881,742	4,956,000
Capital Grants and Contributions	856,356	179,843
Total Program Cash Receipts	9,061,267	7,394,678
General Cash Receipts:		
Property Taxes	3,049,620	2,346,167
Sales Taxes	1,387,186	1,398,545
Unrestricted Grants and Entitlements	2,046,534	605,466
Interest	38,985	37,574
Issuance of Bonds, Loans, and Notes	49,058	339,244
Payments in Lieu of Taxes	22,522	611
Miscellaneous	285,675	254,097
Total General Cash Receipts	6,879,580	4,981,704
Total Cash Receipts	15,940,847	12,376,382
Cash Disbursements		
Program Cash Disbursements:		
General Government:		
Legislative and Executive	2,365,721	2,230,454
Judicial	772,703	657,384
Public Safety	1,793,824	1,800,388
Public Works	3,045,144	2,519,943
Health	2,455,383	2,305,962
Human Services	445,867	234,697
Community and Economic Development	479,370	575,572
Capital Outlay	2,522,126	1,361,411
Debt Service:		
Principal Retirement	215,547	235,917
Interest and Fiscal Charges	73,109	67,807
Total Cash Disbursements	14,168,794	11,989,535
Change in Net Position	1,772,053	386,847
Net Position – Beginning of Year	5,398,014	5,011,167
Net Position – End of Year	$7,170,067	$5,398,014

Net position increased $1,772,053 in governmental activities in 2017 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 $9,061,267. Property taxes increased due to an increase in the Board of Developmental Disabilities tax levy. Issuance of bonds, loans, and notes decreased due to additional debt issued in the previous year. The increase to operating grants and contributions is due to intergovernmental monies received from the Motor Vehicle and Gas Tax program. Unrestricted grants and entitlements increased due to the MCO Replacement monies received from the State. Capital grants and contributions increased due to intergovernmental monies received in the Airport Capital Projects program. Capital Outlay increased as a result of grant monies spent in the Airport Capital Projects program. Public works increased as a result of an increase in noncapital disbursements within the Engineer's department. The decrease to community and economic development is due to timing as to when grants are received versus when they are spent.

Governmental Activities

Operating grants and contributions made up 37 percent of cash receipts for governmental activities of the County for 2017. Property tax receipts made up 19 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 21 percent of governmental program cash disbursements.

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

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

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	$2,365,721	$1,700,132	$2,230,454	$1,595,275
Judicial	772,703	445,551	657,384	388,010
Public Safety	1,793,824	1,094,728	1,800,388	1,151,985
Public Works	3,045,144	478,087	2,519,943	477,867
Health	2,455,383	437,518	2,305,962	479,975
Human Services	445,867	294,557	234,697	170,233
Community and Economic Development	479,370	81,769	575,572	109,148
Capital Outlay	2,522,126	440,843	1,361,411	62,272
Debt Service:				
Principal Retirement	215,547	125,857	235,917	156,874
Interest and Fiscal Charges	73,109	8,485	67,807	3,218
Total Cash Disbursements	$14,168,794	$5,107,527	$11,989,535	$4,594,857

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 $16,242,575 and cash disbursements and other financing uses of $14,470,522. The net change in fund balance for the year was most significant in the General Fund.

The Motor Vehicle Gasoline Tax Fund, which went from $2,105,561 in 2016 to $2,419,171 in 2017 had cash receipts and other financing sources that exceeded cash disbursements and other financing uses in the amount of $313,610.

General Fund cash receipts and other financing sources exceeded cash disbursements and other financing uses by $1,226,208.

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 and original budgeted revenue were $3,461,566, while actual receipts and other financing sources increased $506,057 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 $115,674 due primarily to less than anticipated disbursements for legislative and executive and capital outlay. Final appropriations and original appropriations were $4,211,105.

The County's ending unobligated General Fund cash balance was $621,731.

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 $2,522,126 during 2017.

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, 2017, the County had $1,329,846 in bonds and notes for governmental activities with $130,326 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

	2017	2016
County Job and Family Services Building	$1,105,071	$1,187,973
911 Communications Equipment Bond	68,520	109,950
911 Communications Equipment Note	102,255	141,412
Community and Economic Development Building	54,000	57,000
Totals	$1,329,846	$1,496,335

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, 2017, the County's overall legal debt margin was $4,793,888 with an unvoted debt margin of $3,008,592. 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 Waugh, County Auditor at Vinton County, 100 Main Street, McArthur, Ohio 45651, or telephone at (740)596-4571 (Extension 231).

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Vinton County
Statement of Net Position - Cash Basis
December 31, 2017

	Primary Government
	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 7,170,067
Total Assets	7,170,067
NET POSITION:	
Restricted for:	
Debt Service	13,725
Capital Projects	233,306
Motor Vehicle Gasoline Tax	2,419,171
Department of Developmental Disabilities	521,301
Other Purposes	549,211
Senior Citizens Levy	76,065
EMS Levy	340,682
Indigent Drivers	91,303
County Court Computer Research	62,937
Special Projects	84,285
Real Estate Assessment	555,130
911 Wireless	60,229
Unrestricted	2,162,722
Total Net Position	$ 7,170,067

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, 2017

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
					Primary Government
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities:					
General Government:					
Legislative and Executive	$ 2,365,721	$ 411,819	$ 253,770	$ -	$ (1,700,132)
Judicial	772,703	132,631	194,521	-	(445,551)
Public Safety	1,793,824	308,936	390,160	-	(1,094,728)
Public Works	3,045,144	500,808	2,066,249	-	(478,087)
Health	2,455,383	404,706	1,613,159	-	(437,518)
Human Services	445,867	77,173	74,137	-	(294,557)
Community and Economic Development	479,370	77,568	320,033	-	(81,769)
Capital Outlay	2,522,126	255,214	969,713	856,356	(440,843)
Debt Service:					
Principal Retirement	215,547	89,690	-	-	(125,857)
Interest and Fiscal Charges	73,109	64,624	-	-	(8,485)
Total Governmental Activities	$ 14,168,794	$ 2,323,169	$ 5,881,742	$ 856,356	(5,107,527)
General Cash Receipts					
Property Taxes Levied for:					
General Purposes					1,185,860
MRDD					875,251
Special Purposes					988,509
Sales Taxes Levied for General Purposes					1,387,186
Grants and Entitlements Not Restricted to Specific Programs					2,046,534
Issuance of Loans					49,058
Payments in Lieu of Taxes					22,522
Miscellaneous					285,675
Interest					38,985
Total General Cash Receipts					6,879,580
Change in Net Position					1,772,053
Net Position Beginning of Year					5,398,014
Net Position End of Year					$ 7,170,067

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, 2017

	General	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:				
Taxes	$ 2,573,046	$ -	$ 1,863,760	$ 4,436,806
Charges for Services	640,076	265,171	1,199,612	2,104,859
Licenses and Permits	2,778	-	14,874	17,652
Fines and Forfeitures	102,061	11,881	86,716	200,658
Intergovernmental	2,058,436	3,660,100	3,060,151	8,778,687
Interest	36,385	2,370	230	38,985
Payments in Lieu of Taxes	22,522	-	-	22,522
Contributions & Donations	-	-	5,945	5,945
Other	163,254	12,209	110,212	285,675
Total Cash Receipts	5,598,558	3,951,731	6,341,500	15,891,789
CASH DISBURSEMENTS:				
General Government:				
Legislative and Executive	2,055,489	-	310,232	2,365,721
Judicial	501,587	-	271,116	772,703
Public Safety	1,257,843	-	535,981	1,793,824
Public Works	-	3,045,144	-	3,045,144
Health	80,479	-	2,374,904	2,455,383
Human Services	347,383	-	98,484	445,867
Community and Economic Development	-	-	479,370	479,370
Capital Outlay	1,046	558,799	1,962,281	2,522,126
Debt Service:				
Principal Retirement	-	-	215,547	215,547
Interest and Fiscal Charges	-	-	73,109	73,109
Total Cash Disbursements	4,243,827	3,603,943	6,321,024	14,168,794
Excess of Cash Receipts Over (Under) Cash Disbursements	1,354,731	347,788	20,476	1,722,995
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	267,558	267,558
Advances In	14,987	9,010	10,173	34,170
Issuance of OWDA Loans	-	-	49,058	49,058
Transfers Out	(100,474)	(43,188)	(123,896)	(267,558)
Advances Out	(3,036)	-	(31,134)	(34,170)
Total Other Financing Sources (Uses)	(88,523)	(34,178)	171,759	49,058
Net Change in Fund Cash Balances	1,266,208	313,610	192,235	1,772,053
Cash Basis Fund Balances at Beginning of Year	896,514	2,105,561	2,395,939	5,398,014
Cash Basis Fund Balances at End of Year	$ 2,162,722	$ 2,419,171	$ 2,588,174	$ 7,170,067
CASH BASIS ASSETS AT END OF YEAR:				
Equity in Pooled Cash and Cash Equivalents	$ 2,082,652	$ 2,419,171	$ 2,588,174	$ 7,089,997
Restricted Cash and Cash Equivalents	80,070	-	-	80,070
Total Assets	$ 2,162,722	$ 2,419,171	$ 2,588,174	$ 7,170,067
CASH FUND BALANCES AT YEAR END:				
Nonspendable	$ 80,070	$ -	$ -	$ 80,070
Restricted	-	2,419,171	2,588,174	5,007,345
Assigned	202,186	-	-	202,186
Unassigned	1,880,466	-	-	1,880,466
Total Cash Basis Fund Balances	$ 2,162,722	$ 2,419,171	$ 2,588,174	$ 7,170,067

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, 2017

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$ 2,244,850	$ 2,244,850	$ 2,573,046	$ 328,196
Charges for Services	388,039	388,039	444,770	56,731
Licenses and Permits	2,424	2,424	2,778	354
Fines and Forfeitures	89,043	89,043	102,061	13,018
Intergovernmental	529,899	529,899	607,370	77,471
Interest	33,702	33,702	38,629	4,927
Payments in Lieu of Taxes	19,649	19,649	22,522	2,873
Other	138,973	138,973	161,460	22,487
Total Receipts	3,446,579	3,446,579	3,952,636	506,057
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,073,434	2,054,700	1,999,973	54,727
Judicial	419,960	318,121	308,053	10,068
Public Safety	1,263,729	1,283,300	1,257,843	25,457
Health	48,533	93,164	80,479	12,685
Human Services	235,897	353,168	347,383	5,785
Capital Outlay	86,000	1,046	1,046	-
Total Disbursements	4,127,553	4,103,499	3,994,777	108,722
Excess of Receipts Over (Under) Disbursements	(680,974)	(656,920)	(42,141)	614,779
OTHER FINANCING SOURCES (USES):				
Advances In	14,987	14,987	14,987	-
Transfers Out	(83,552)	(104,570)	(97,618)	6,952
Advances Out	-	(3,036)	(3,036)	-
Total Other Financing Sources (Uses)	(68,565)	(92,619)	(85,667)	6,952
Net Change in Fund Balance	(749,539)	(749,539)	(127,808)	621,731
Fund Balance at Beginning of Year	749,539	749,539	749,539	-
Fund Balance at End of Year	$ -	$ -	$ 621,731	$ 621,731

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, 2017

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Charges for Services	$ 213,409	$ 213,409	$ 265,171	$ 51,762
Fines and Forfeitures	9,562	9,562	11,881	2,319
Intergovernmental	2,945,646	3,445,646	3,660,100	214,454
Interest	1,907	1,907	2,370	463
Other	9,825	9,825	12,209	2,384
Total Receipts	3,180,349	3,680,349	3,951,731	271,382
DISBURSEMENTS:				
Current:				
Public Works	2,952,751	3,446,181	3,045,144	401,037
Capital Outlay	300,000	570,500	558,799	11,701
Total Disbursements	3,252,751	4,016,681	3,603,943	412,738
Excess of Receipts Over (Under) Disbursements	(72,402)	(336,332)	347,788	684,120
OTHER FINANCING SOURCES (USES):				
Advances In	-	-	9,010	9,010
Transfers Out	(60,000)	(53,070)	(43,188)	9,882
Total Other Financing Sources (Uses)	(60,000)	(53,070)	(34,178)	18,892
Net Change in Fund Balance	(132,402)	(389,402)	313,610	703,012
Fund Balance at Beginning of Year	2,105,561	2,105,561	2,105,561	-
Fund Balance at End of Year	$ 1,973,159	$ 1,716,159	$ 2,419,171	$ 703,012

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, 2017

	Private Purpose Trust Fund	Agency Funds
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	$ 15,593	$ 1,712,442
Cash and Cash Equivalents in Segregated Accounts	-	215,964
Total Assets	$ 15,593	$ 1,928,406
NET POSITION:		
Unrestricted	$ -	$ 1,928,406
Held in Trust for Private Purposes	15,593	-
Total Net Position	$ 15,593	$ 1,928,406

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, 2017

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	$ 90
Total Additions	90
DEDUCTIONS:	
Scholarship's Awarded	-
Increase in Net Position	90
Net Position Beginning of Year	15,503
Net Position End of Year	$ 15,593

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

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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.

Primary Government

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 the organizations are not considered part of the County. Accordingly, the activity of the following entities and agencies are presented as agency funds within the County's basic financial statements:

- Soil and Water Conservation District
- Vinton County Health District

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

B. Fund Accounting

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (continued)

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

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

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

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

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (continued)

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

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

E. Cash and Investments

To improve cash management, all cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2017, the County invested in nonnegotiable certificates of deposit and money market funds. Investments are reported at cost, except for the money market fund. The County's money market fund investment is recorded at the amount reported by US Bank at December 31, 2017.

For 2017, interest receipts amounted to $39,075, which $36,385 was recorded in the General Fund, $2,370 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, $230 in all other governmental funds, and $90 in the Private Purpose Trust Fund.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

G. Capital Assets

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Accumulated Leave

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

I. Long-Term Obligations

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

J. Internal Activity

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

K. Net Position

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

Of the County's $5,007,345 in restricted net position, none is restricted by enabling legislation.

L. Fund Balance

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance (continued)

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

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

M. Pensions

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

N. Employer Contributions to Cost-Sharing Pension Plans

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

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States treasury notes, bills, bonds, or other obligations of or security 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 security 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

4. Bonds and other obligations of the State of Ohio or its political subdivisions;

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts in eligible institutions pursuant to ORC section 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143(6); and repurchase agreements secured by such obligations, provided these investments 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 simultaneously exchange either securities or cash, or both securities and cash, equal value for equal value;

9. Up to forty percent of the County's average portfolio in either of the following

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

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

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

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $7,754,348 of the County's bank balance of $9,505,099 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2017, the County had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years) Less than 1
Money Market Mutual Funds:		
First American Treasury	$12,997	$12,997
JP Morgan Security	247,440	247,440
Negotiable Certificates of Deposit	739,316	739,316
Total Investments	$999,753	$999,753

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy addresses interest rate risk by requiring that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk The security underlying the First American Treasury Money Market Fund carries a rating of AAm, while the JP Morgan Security Money Market carries a rating of AAA by Standard and Poor's. The Negotiable Certificates of Deposit are fully insured by the Federal Deposit Insurance Corporation. The County has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The County invested 26% in Money Markets and 74% in Negotiable Certificates of Deposit.

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). 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 special revenue or an agency are considered part of the General Fund on a cash basis. These include the Unclaimed Monies Fund, MCO Replacement Fund, Certificate of Title Fund, Recorder's Equipment Fund, and Public Defender Fund. These funds were excluded from the budgetary presentation for the General Fund.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The assessed value for the taxes levied in 2017 was $300,859,150 of which real property represented 57 percent ($171,653,180) of the total and public utility property represented 43 percent ($129,205,970) of the total. The full tax rate for all County operations for taxes collected in 2017 was $17.05 per $1,000 of assessed valuation.

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

NOTE 6 - PERMISSIVE SALES AND USE TAX

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

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2017 amounted to $1,387,186.

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 2017, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a $0 to $5,000 deductible per occurrence:

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

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of $15,184,004. The County evaluated its coverage and increased the amount from the prior year.

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

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

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

NOTE 8 - RETIREMENT SYSTEM

Net Pension Liability

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

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

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

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

The net pension liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

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

NOTE 8 - RETIREMENT SYSTEM (Continued)

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

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

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

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

	State and Local	Public Safety	Law Enforcement
2017 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $715,250 for fiscal year 2017.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability Current Measurement Date	0.02869600%
Proportion of the Net Pension Liability Prior Measurement Date	0.02901300%
Change in Proportionate Share	-0.00031700%
Proportionate Share of the Net Pension Liability	$6,516,288

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – OPERS (continued)

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – OPERS (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability	$9,955,216	$6,516,288	$3,650,705

NOTE 9 - POSTEMPLOYMENT BENEFITS

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) 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/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The employer contributions that were used to fund post employment benefits for the years ended December 31, 2017, 2016, and 2015 were $54,995, $106,267, and $106,044, respectively. The full amount has been contributed for all three years.

NOTE 10 - LONG-TERM DEBT

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2017 is as follows:

Types/Issues	Outstanding At 12/31/16	Increases	Decreases	Outstanding At 12/31/17	Due in One Year
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	$ 1,187,973	$ -	$ (82,902)	$ 1,105,071	$ 87,184
2016 - 2.5% Communications Equipment Note	141,412	-	(39,157)	102,255	40,142
2016 - 3.9% Communications Equipment Bond	109,950	-	(41,430)	68,520	-
2016 - OWDA Forgiveness Loan	-	49,058	(49,058)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	57,000	-	(3,000)	54,000	3,000
Total	$ 1,496,335	$ 49,058	$ (215,547)	$ 1,329,846	$ 130,326

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

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

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

In 2016, the County issued an OWDA loan in the amount of $165,000, with $67,775 being drawn down in 2016. $49,058 was drawn down during 2017. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2017.

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

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

At December 31, 2017, the County's overall legal debt margin was $4,793,888 with an unvoted debt margin of $3,008,592.

NOTE 10 - LONG-TERM DEBT (Continued)

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

	Community & Economic Development		911 Communications Note	
	Principal	Interest	Principal	Interest
2018	$3,000	$2,228	$40,142	$2,306
2019	3,000	2,104	41,152	1,296
2020	3,000	1,980	20,961	263
2021	3,000	1,856	-	-
2022	3,000	1,733	-	-
2023-2027	17,000	6,766	-	-
202-2032	22,000	2,848	-	-
Totals	$54,000	$19,515	$102,255	$3,865

	Job & Family Services		911 Communications Bond	
	Principal	Interest	Principal	Interest
2018	$87,184	$55,262	$-	$-
2019	91,686	50,758	21,957	2,720
2020	96,422	46,022	22,828	1,849
2021	101,400	41,042	23,735	942
2022	106,640	35,806	-	-
2023-2026	621,739	90,485	-	-
Totals	$1,105,071	$319,375	$68,520	$5,511

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2017 consisted of the following:

	Advances In	Advances Out
General Fund	$14,987	$3,036
Motor Vehicle Gas Tax Fund	9,010	0
Non-Major Funds	10,173	31,134
Total All Funds	$34,170	$34,170

During 2017, advances were made between non-major governmental community development funds in anticipation of intergovernmental grant revenue.

During 2013, the County Commissioners and the County Engineer's Office issued Cruiser loans in the amount of $45,000 each to the Sheriff's Department for a five year period at a rate of .15%. The County Commissioners and County Engineer's Office has purchased this note as an investment. The Sheriff Equipment Fund was identified as the fund that received the proceeds and the General Fund and Motor Vehicle Gas Tax Fund was identified as the fund that purchased the investment. For reporting purposes, these transactions are reflected as an interfund advance in and out in the respective funds. As of December 31, 2017, the balance was paid in full from the Sheriff Equipment Fund.

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

B. Interfund Transfers

The following transfers in and out were made during 2017:

	Transfers In	Transfers Out
General Fund	$0	$100,474
MVGT	0	43,188
Non-Major Funds	267,558	123,896
Total All Funds	$267,558	$267,558

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

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

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

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

South Central Regional Juvenile Detention Center

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2017, Vinton County contributed $113,137 to the Center.

Buckeye Joint-County Self Insurance Council

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

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

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

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 2017, Vinton County paid $107,841 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

Ohio Government Risk Management Plan

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

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

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

Vinton County Community Improvement Corporation

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

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating county represented by its Director of it Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Vinton County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2017, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 State Route 104, Building 8, Chillicothe, Ohio 45601.

Corrections Commission of Southeastern Ohio

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

The Commission was established by the Board of County Commissioners of Athens, Hocking, Morgan and Perry Counties. The Commission is directed by one Commissioner from each participating county, along with the Sheriff and the presiding Judge of the Court of Common Pleas of each participating county. Any of these may name other representatives to fulfill this duty. The presiding judge for Hocking County chose to neither participate nor name a representative so there were 14 directors of the Commission in 2017. Each member county is responsible for a portion of the capital and operating budget as follows: Athens County 41.08%; Perry County 24.32%; Hocking County 18.38%; Morgan County 8.11%; and Vinton County 8.11%.

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

South Central Ohio Job and Family Services

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

NOTE 13 - CONTINGENT LIABILITIES

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

The County is not currently party to any legal proceedings.

NOTE 14 - COMPLIANCE

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

NOTE 15 – SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

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

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

In March of 2013, the County signed an agreement with ODJFS to repay the net reimbursement. The payments are being made quarterly beginning March 31, 2014 through December 31, 2018 in the amount of $10,133.30. During 2017, the County repaid $40,533, leaving a balance of $40,534.

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
Nonspendable				
Unclaimed Monies	$ 80,070	$ -	$ -	$ 80,070
Restricted for				
Other Purposes	-	-	924,030	924,030
EMS	-	-	340,682	340,682
Real Estate Assessment	-	-	555,130	555,130
Road Repair and Other Purposes	-	2,419,171	-	2,419,171
Developmental Disabilities	-	-	521,301	521,301
Debt Services Payments	-	-	13,725	13,725
Capital Improvements	-	-	233,306	233,306
Total Restricted	-	2,419,171	2,588,174	5,007,345
Assigned to				
Subsequest Appropriations	142,971	-	-	142,971
Other Purposes	59,215	-	-	59,215
Total Assigned	202,186	-	-	202,186
Unassigned	1,880,466	-	-	1,880,466
Total Fund Balances	$ 2,162,722	$ 2,419,171	$ 2,588,174	$ 7,170,067

NOTE 17 – EARLY RETIREMENT INCENTIVE

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

NOTE 18 – NEW ACCOUNTING PRINCIPLES

For fiscal year 2017, the County has implemented GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, GASB Statement No. 80, "Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14 and GASB Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73.

NOTE 18 – NEW ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the County.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as no-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the County.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payment made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the County.

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VINTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR *Pass Through Grantor* **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Direct from Federal Government			
Rural Housing Preservation Grants	10.433	N/A	$35,118
Passed Through Ohio Department of Natural Resources			
Schools and Roads - Grants to States	10.665	N/A	489
Total U.S. Department of Agriculture			35,607
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Ohio Department of Development			
Community Development Block Grant - State's Program	14.228	B-C-16-1CW-1	80,433
		B-F-16-1CW-1	242,073
Total Community Development Block Grant - State's Program			322,506
Home Investment Partnerships Program	14.239	B-C-16-1CW-2	53,263
Total U.S. Department of Housing and Urban Development			375,769
U.S. DEPARTMENT OF INTERIOR			
Direct from Federal Government			
Payment in Lieu of Taxes	15.226	N/A	1,303
Total U.S. Department of Interior			1,303
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Natural Resources			
National Forest Acquired Lands	15.438	N/A	12,073
Total U.S. Department of Agriculture			12,073
U.S. DEPARTMENT OF TRANSPORTATION			
Direct from the Federal Government			
Airport Improvement Program	20.106	3-39-0108-011-2014	17,820
		3-39-0108-012-2016	930,302
Total Airport Improvement Program			948,122
Passed Through Ohio Emergency Management			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0531-16-01-00	1,600
Total U.S. Department of Transportation			949,722
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Ohio Department of Development			
Appalachian Regional Commission (ARC) Program	23.011	B-P-15-1CW-1	174,374
Total U.S. Department of Housing and Urban Development			174,374
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Developmental Disabilities			
Social Services Block Grant	93.667	N/A	13,095
Total Social Services Block Grant			13,095
Passed Through Ohio Department of Developmental Disabilities			
Medical Assistance Program	93.778	N/A	68,795
Total Medical Assistance Program			68,795
Total U.S. Department of Health and Human Services			81,890
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Ohio Emergency Management Agency			
Emergency Management Performance Grant	97.042	EMC-2016-EP-00003-S01	17,075
		EMC-2017-EP-00006-S01	12,705
Total Homeland Security Grant			29,780
Total U.S. Department of Homeland Security			29,780
Total Expenditures of Federal Awards			**$1,660,518**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Vinton County (the County's) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2017 is $856.

NOTE D - MATCHING REQUIREMENTS

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

NOTE E – COUNTY BOARD OF DEVELOPMENTAL DISABILITIES COST REPORT SETTLEMENT MAC AMOUNT

During the calendar year, the County Board of Developmental Disabilities received a settlement payment for the 2012 Cost Report and received a notice of a liability owed for the 2013 Cost Report from the Ohio Department of Development Disabilities for the Medicaid Program (CFDA #93.778) in the amount of $945 and ($1,234). The Cost Report Settlement payment and liability was for settlement of the difference between the statewide payment rate and rate calculated based upon actual expenditures for Medicaid services. This revenue and liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in a prior reporting period and the liability was invoiced by the Ohio Department of Developmental Disabilities.

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

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 18, 2018, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2017-005 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2017-001 through 2017-005.

County's Response to Findings

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

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

September 18, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

Report on Compliance for the Major Federal Program

We have audited Vinton County's, Ohio (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Vinton County's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal program.

Management's Responsibility

The County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for the County's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the County's major program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, Vinton County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

September 18, 2018

VINTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Program (list):** Airport Improvement Program CFDA – 20.106	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2017-001

Noncompliance

Ohio Rev. Code § 325.071 provides, in addition to other sources of funding, county sheriff must be allowed, annually, an amount equal to one-half the officer's salary. This amount is commonly known as the Furtherance of Justice (FOJ) Fund. This allowance is made upon order of the officer to be paid out of the General Fund in an amount not to exceed one-half of the officer's official salary.

Further, language was included in House Bill 94 in 2001 providing that the appropriation is based only on the county paid portion of the sheriff's salary and does not include the state paid portion.

Auditor of State Bulletin 97-014 provides the dollar amount provided to the FOJ fund is fixed by statute and may not be increased by any means. Donations to the FOJ fund are not permitted nor may additional funding be provided at the request of the county officer, even with the approval of the county commissioners. The amount equal to one-half the officer's official salary is a not-to-exceed amount.

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

FINDING NUMBER 2017-001 (Continued)

Noncompliance (Continued)

Nothing shall be paid under this section until the Sheriff gives bond to the state in the amount not less than the Sheriff's official salary, to be fixed by the court of common pleas or the probate court, with sureties to be approved by either of those courts.

Additionally, Ohio Rev. Code § 325.071 provides that the sheriff annually, before the first Monday of January, shall file with the county auditor an itemized statement, verified by the sheriff, as to the manner in which the fund provided by this section has been expended during the current year, and, if any part of that fund remains in the sheriff's hands unexpended, forthwith shall pay the remainder into the county treasury.

The Sheriff's bond in place for 2017 was set at $53,888 and the bond should have been his annual salary of $65,640.

Additionally, the Sheriff did not file the required report for 2017 with the County Auditor until January 25, 2018. The report was to be filed by January 3, 2018.

Further, the County Auditor paid $28,291 on January 19, 2017 and $4,529 on March 23, 2017 from the General Fund into the Sheriff's FOJ Fund for a total of $32,820, which is one-half of the total Sheriff salary for a population of under fifty-five thousand. However, the Sheriff FOJ Fund should have received one-half of the total County paid salary for the Sheriff which would be $29,174.

On August 30, 2018, the Sheriff paid $3,646 from the FOJ Fund to the County General Fund to repay the 2017 overpayment. This is recorded on county receipt number 148368.

The County Auditor should review Auditor of State Bulletin 2016-001 when calculating the annual amount due to the Sheriff FOJ fund. In addition, the Sheriff should ensure the bond amount agrees to his annual salary each year and should file the itemized statement before the first Monday of January as required.

Officials' Response:
The auditor will ensure that the Sheriff is aware, per ORC 325.071, that the FOJ financial report must be filed before the 1st Monday in January. The auditor will also notify the Clerk of Commissioners the Sheriff's bond must match the annual salary of the Sheriff. 2018 was the first increase in pay in 8 years. The Auditor will also ensure that the correct amount is given for each FOJ allowance. The overage in 2018 payment will be reduced in the 2019 allocation.

FINDING NUMBER 2017-002

Noncompliance and Finding for Recovery

Ohio Rev. Code § 305.01(B) provides that quadrennially, two commissioners shall be elected. The term of one of such commissioners shall commence on the second day of January next after his election, and the term of the other commissioner shall commence on the third day of January next after his election.

Ohio Rev. Code § 325.10 states that each county commissioner shall be classified, for salary purposes, according to the population of the county. County commissioners in a county with a population up to 55,000 shall receive annual compensation of $48,974 for calendar year 2017.

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

FINDING NUMBER 2017-002 (Continued)

Noncompliance and Finding for Recovery (Continued)

Michael Bledsoe was reelected as County Commissioner in 2016 and began his new term on January 3, 2017 and served through June 30, 2017 for a total of 179 days in office during the new term. Ohio Attorney General Opinion 1990-023 states that when a county official's term of office pursuant to R.C. 305.01(B) includes only part of a particular calendar year, the official is entitled to a prorated portion of the annual compensation fixed for that year pursuant to R.C. 305.01(B), which portion should be calculated to reflect the number of days in that calendar year which are included in the official's term of office.

Therefore, former Commissioner Bledsoe should have been paid a prorated amount for the days he was in office. Commissioner salaries as set by statute were $48,974, or a daily rate of $134.18, for the new term which began on January 3, 2017. Therefore, the total maximum amount that Mr. Bledsoe should have received for the period in office of the new term was $24,018.22 ($134.18 times 179 days). The salary for January 1st and 2nd, which were under the prior term of office with an annual salary of $37,353 or $102.34 per day, would be $204.68 for a total yearly maximum of $24,222.90. The County compensated elected officials by pay period during 2017 instead of by days served as prescribed in Opinion 1990-023. This resulted in former Commissioner Michael Bledsoe being paid $25,365.19 in 2017 resulting in an overpayment of $1,142.29.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against former County Commissioner Michael Bledsoe and Liberty Mutual Surety Company, his bonding company, jointly and severally in the amount of $1,142 and in favor of the Vinton County General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.,* 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State, ex rel. Village of Linndale v. Masten,* 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

County Auditor Cindy Owings approved this extra payment in 2017 for Commissioner Bledsoe. Accordingly, Cindy Owings and her bonding company, Liberty Mutual Surety Company, will be jointly and severally liable in the amount of $1,142 in favor of Vinton County's General Fund, to the extent that recovery is not obtained from Michael Bledsoe.

Officials' Response:
The auditor will ensure that any elected official, that retires or resigns mid-term, will be calculated using a daily factor. Letters have been sent to the elected official who was overpaid, asking for the reimbursement of the overpaid amount.

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

FINDING NUMBER 2017-003

Noncompliance and Finding for Recovery – Repaid Under Audit

Ohio Rev. Code § 315.01 states that quadrennially in each county a county engineer who shall assume office on the first Monday in January next after his election and shall hold such office for four years.

Ohio Rev. Code § 325.14 states that each county engineer shall be classified, for salary purposes, according to the population of the county. County engineers without a private practice in a county with a population up to 55,000 shall receive annual compensation of $94,103 for calendar year 2017.

Ron Sharrett was reelected as County Engineer in 2016 and began his new term on January 2, 2017 and served through June 23, 2017 for a total of 173 days in office for his new term. He was also in office on January 1, 2017 for his previous term. Ohio Attorney General Opinion 1990-023 states that when a county official's term of office pursuant to R.C. 305.01(B) includes only part of a particular calendar year, the official]is entitled to a prorated portion of the annual compensation fixed for that year pursuant to R.C. 305.01(B), which portion should be calculated to reflect the number of days in that calendar year which are included in the official's term of office.

Therefore, former Engineer Sharrett should have been paid a prorated amount for the days he was in office. Engineer salaries as set by statute were $94,103 without a private practice, or a daily rate of $257.82, for the new term beginning January 2, 2017. Therefore, the total maximum amount that Mr. Sharrett should have received was $44,602.86 ($257.82 times 173 days). The salary for January 1st, which was under the prior term of office with an annual salary of $80,536 or $220.65 per day would be $220.65 for a total yearly maximum of $44,823.51. The County compensated elected officials by pay period during 2017 instead of by days served, as prescribed in Opinion 1990-023. This resulted in former Engineer Sharrett being paid $47,014.38 in 2017 resulting in an overpayment of $2,190.87.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against former County Engineer Ron Sharrett and Liberty Mutual Surety Company, his bonding company, jointly and severally in the amount of $2,190 and in favor of the Vinton County Motor Vehicle Gasoline Tax Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.,* 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State, ex rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

County Auditor Cindy Owings approved this extra payment in 2017 for Engineer Sharrett. Accordingly, Cindy Owings and her bonding company, Liberty Mutual Surety Company, will be jointly and severally liable in the amount of $2,190 in favor of the Vinton County Motor Vehicle Gasoline Tax Fund, to the extent that recovery is not obtained from Ron Sharrett.

Mr. Ron Sharrett repaid the finding referenced above on September 7, 2018 on county receipt number 148438. This amount was repaid into the county Motor Vehicle Gasoline Tax Fund.

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

FINDING NUMBER 2017-003 (Continued)

Noncompliance and Finding for Recovery – Repaid Under Audit (Continued)

Officials' Response:
The auditor will ensure that any elected official, that retires or resigns mid-term, will be calculated using a daily factor.

FINDING NUMBER 2017-004

Noncompliance

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

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

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

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

Officials' Response:
Vinton County will file GAAP financial when it becomes financially feasible. Until then, counties our size are restricted to filing the cheaper report, which is Cash basis.

FINDING NUMBER 2017-005

Noncompliance and Material Weakness

Ohio Admin. Code § 117-2-02(C)(1) provides that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

The County Auditor did not enter the budgeted receipts into the system for 2017. This resulted in each department being unable to track budgeted versus actual receipts by month and year.

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

FINDING NUMBER 2017-005 (Continued)

Noncompliance and Material Weakness (Continued)

Further, on February 28, 2017, original appropriations by line item as approved by the County Commissioner's did not agree to the County's accounting system. The variances were as follows in the General Fund:

Line Item	Approved	System	Variance
Legislative and Executive	$2,073,415	$2,053,451	$19,964
Judicial	$419,959	$419,923	$36
Transfers Out	$83,552	$103,552	($20,000)

Due to budgetary information not entered into the system or the information being improperly entered into the system, the management of the County lost some degree of budgetary control.

The County Auditor should post estimated receipts as certified by the County Budget Commission. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year. Further, the County Auditor should post appropriations by line item in the accounting system to agree to the appropriations by line item approved by the County Commissioners.

Officials' Response:
The auditor will ensure that all items are entered properly into the financial system and are also categorized correctly. The auditor will also ensure that all estimated revenues is entered into the system for outside office use and management. The auditor has always maintained a close eye on the revenue and expenses and will continue to do so.

3. FINDINGS FOR FEDERAL AWARDS

None.

VINTON COUNTY COMMISSIONERS OFFICE

Vinton County Courthouse
100 East Main Street
McArthur, OH 45651

Phone: 740-596-4571
Fax: 740-596-9446
Cathi Mountjoy, Clerk ext.221

e-mail: commissioners@vintonco.com

Mark Fout, President ***James Satory, Vice President*** ***Tim Eberts, Commissioner***

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR PART 200.511(b)
DECEMBER 31, 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Noncompliance Citation of Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) for not preparing annual financial statements in accordance with Generally Accepted Accounting Principles.	Not Corrected	Vinton County will file GAAP financials when it is financially feasible. Until then, counties our size are restricted to filing the cheaper report, which is Cash basis.
2016-002	Noncompliance Citation of Ohio Rev. Code § 5705.41(D)(1) for not certifying purchases at the time of commitment.	Corrected	

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	The auditor will ensure that the Sheriff is aware, per ORC 325.071, that the FOJ financial report must be filed before the 1st Monday in January. The auditor will also notify the Clerk of Commissioners the Sheriff's bond must match the annual salary of the Sheriff. 2018 was the first increase in pay in 8 years. The Auditor will also ensure that the correct amount is given for each FOJ allowance. The overage in 2018 payment will be reduced in the 2019 allocation.	9/21/18	Shawn Justice, County Sheriff Kathi Mountjoy, Clerk of Commissioners Cindy Waugh, County Auditor
2017-002	The auditor will ensure that any elected official, that retires or resigns mid-term, will be calculated using a daily factor. Letters have been sent to both elected officials, who were overpaid, asking for the reimbursement of the overpaid amounts.	9/21/18	Cindy Waugh, County Auditor
2017-003	The auditor will ensure that any elected official, that retires or resigns mid-term, will be calculated using a daily factor.	9/21/18	Cindy Waugh, County Auditor
2017-004	Vinton County will file GAAP financial when it becomes financially feasible. Until then, counties our size are restricted to filing the cheaper report, which is Cash basis.	Unknown	Cindy Waugh, County Auditor
2017-005	The auditor will ensure that all items are entered properly into the financial system and are also categorized correctly. The auditor will also ensure that all estimated revenues are entered into the system for outside office use and management. The auditor has always maintained a close eye on the revenue and expenses and will continue to do so.	9/21/18	Cindy Waugh, County Auditor

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 2, 2018