

GUERNSEY COUNTY
ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701



Dave Yost • Auditor of State

Board of Commissioners
Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

We have reviewed the *Independent Auditors' Report* of Guernsey County prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

October 13, 2011

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GUERNSEY COUNTY

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Guernsey County, Ohio (the County) as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units would have been presented as \$236,633, \$9,468, \$227,165, \$404,548 and \$445,866, respectively.

In our opinion, because of the omission of the discretely presented component unit, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Guernsey County, as of December 31, 2009, or the changes in financial position thereof for the year then ended,

Independent Auditors' Report

Page two

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Guernsey County, Ohio as of December 31, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund, Public Assistance Fund, Motor Vehicle and Gasoline Tax Fund, and Developmental Disabilities Fund for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 16, 2010, on our consideration of Guernsey County's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The report is reissued due to the fact the Adoption Assistance Program was not initially audited. This was due to the original Schedule of Federal Awards reporting less monies than actually spent. Once the incorrect amount was noted, the correct amount made the Adoption Assistance Program a major program and needed to be audited.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Wolfe, Wilson, & Phillips, Inc.

Zanesville, Ohio

August 16, 2010 and September 6, 2011 for the Schedule of Federal Awards

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

The discussion and analysis of Guernsey County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2009, within the limitations of the County's modified cash basis accounting. Readers should also review the modified cash basis financial statements and notes to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Net modified cash assets of governmental activities increased \$1,269,973.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$17,641,373, an increase of \$825,460 from the prior year.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to Guernsey County's Cash Financial Statements. Guernsey County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. 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 modified cash basis of accounting.

County-Wide Financial Statements

The county-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The *Statement of Net Assets – Cash Basis* presents information on all of Guernsey County's modified cash assets, presented as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the cash and investments of Guernsey County are improving or deteriorating.

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

The *Statement of Activities – Cash Basis* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs.

Both of the government-wide financial statements identify functions of Guernsey County that are principally supported by taxes and intergovernmental receipts (governmental activities). The governmental activities of Guernsey County include general government, public safety, public works, health, human services, economic development and assistance, other capital outlay, and debt service disbursements.

In the statement of net assets and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, economic development, other, capital outlay, and debt service disbursements. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared receipts.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's water and sewer systems are reported here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction of the use of monies, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund, and the Public Assistance, Motor Vehicle and Gasoline Tax and Department of Developmental Disabilities Funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund *Statements of Cash Basis Assets and Fund Balances* and *Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances* for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Proprietary Funds – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Water Fund operations and Sewer Fund operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The Self-Insurance Fund accounts for the claims relating to the County's self-insurance hospitalization program.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2009 compared to 2008.

A portion of the County's governmental activities net assets, \$16,611,033, or 90 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$1,893,544, or 10 percent, is to be used to meet the County's ongoing obligations to citizens and creditors.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Equity in Pool Cash and Cash Equivalents	\$ 16,593,688	\$ 15,477,521	\$ 548,588	\$ 2,868,862	\$ 17,142,276	\$ 18,346,383
Cash and Cash Equivalents with Fiscal and Escrow Agents	1,910,889	1,757,083	0	0	1,910,889	1,757,083
Total Assets	18,504,577	17,234,604	548,588	2,868,862	19,053,165	20,103,466
Net Assets						
Restricted for:						
Capital Projects	775,950	943,618	0	0	775,950	943,618
Debt Service	149,821	173,866	0	0	149,821	173,866
Motor Vehicle Gas Tax	1,770,017	1,593,190	0	0	1,770,017	1,593,190
Public Assistance	474,856	718,492	0	0	474,856	718,492
Children Services	1,403,628	1,669,863	0	0	1,403,628	1,669,863
Mental Retardation and Developmental Disabilities	10,058,133	9,376,664	0	0	10,058,133	9,376,664
Other Purposes	1,978,628	1,845,808	0	0	1,978,628	1,845,808
Unrestricted	1,893,544	913,103	548,588	2,868,862	2,442,132	3,781,965
Total Net Assets	\$ 18,504,577	\$ 17,234,604	\$ 548,588	\$ 2,868,862	\$ 19,053,165	\$ 20,103,466

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Table 2 shows the changes in net assets for 2009 compared to 2008.

Table 2
 Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Receipts:						
<i>Program Receipts:</i>						
Charges for Services	\$ 4,123,637	\$ 3,929,150	\$ 2,281,385	\$ 2,117,812	\$ 6,405,022	\$ 6,046,962
Operating Grants & Contributions	20,625,437	19,951,327	13,859	842,260	20,639,296	20,793,587
Capital Grants & Contributions	1,854,289	1,470,663	0	0	1,854,289	1,470,663
Total Program Receipts	26,603,363	25,351,140	2,295,244	2,960,072	28,898,607	28,311,212
<i>General Receipts and Transfers:</i>						
Property Taxes	4,841,827	5,373,718	0	0	4,841,827	5,373,718
Permissive Sales Tax	5,791,078	5,851,527	0	0	5,791,078	5,851,527
Grants and Entitlements	1,323,096	1,392,380	0	0	1,323,096	1,392,380
Investment Earnings	581,676	802,963	3,563	40,724	585,239	843,687
General Obligation Bonds Issued	0	205,000	0	2,839,000	0	3,044,000
Bond Anticipation Notes Issued	0	0	0	0	0	0
Loan Payments Received	0	0	0	0	0	0
Proceeds of OPWC Loans	53,257	0	0	0	53,257	0
Proceeds of OWDA Loans	0	0	73,344	167,526	73,344	167,526
Miscellaneous	462,859	436,481	19,576	32,316	482,435	468,797
Total General Receipts	13,053,793	14,062,069	96,483	3,079,566	13,150,276	17,141,635
Total Receipts	39,657,156	39,413,209	2,391,727	6,039,638	42,048,883	45,452,847
Program Disbursements:						
General Government						
Legislative and Executive	4,221,730	4,861,288	0	0	4,221,730	4,861,288
Judicial	2,539,724	2,873,205	0	0	2,539,724	2,873,205
Public Safety	3,909,616	3,812,154	0	0	3,909,616	3,812,154
Public Works	5,593,044	5,845,870	0	0	5,593,044	5,845,870
Health	6,346,532	6,242,904	0	0	6,346,532	6,242,904
Human Services	13,651,152	13,629,535	0	0	13,651,152	13,629,535
Economic Development	586,357	480,079	0	0	586,357	480,079
Other	444,257	347,262	0	0	444,257	347,262
Capital Outlay	190,497	391,868	0	0	190,497	391,868
Debt Service						
Principal	626,442	956,673	0	0	626,442	956,673
Interest and Fiscal Charges	397,945	404,529	0	0	397,945	404,529
Issuance Costs	0	4,525	0	0	0	4,525
Sewer	0	0	260,424	310,194	260,424	310,194
Water	0	0	4,331,464	3,296,100	4,331,464	3,296,100
Total Disbursements	38,507,296	39,849,892	4,591,888	3,606,294	43,099,184	43,456,186
Excess/(Deficiency) Before						
Transfers and Advances	1,149,860	(436,683)	(2,200,161)	2,433,344	(1,050,301)	1,996,661
Transfers	120,113	(54,478)	(120,113)	54,478	0	0
Advances	0	52,968	0	(52,968)	0	0
Change in Net Assets	1,269,973	(438,193)	(2,320,274)	2,434,854	(1,050,301)	1,996,661
Net Assets, Beginning of Year	17,234,604	17,672,797	2,868,862	434,008	20,103,466	18,106,805
Net Assets, End of Year	\$ 18,504,577	\$ 17,234,604	\$ 548,588	\$ 2,868,862	\$ 19,053,165	\$ 20,103,466

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Operating grants were the largest program receipts, accounting for \$20,625,437 or 77.5 percent of total for governmental activities.

Property tax receipts accounted for \$4,841,827 or 12.2 percent of total governmental receipts. Another major component of general governmental receipts was permissive sales taxes, which accounted for \$5,791,078 or 14.6 percent of total receipts.

The County's direct charges to users of governmental services made up \$4,123,637 or 10.4 percent of total governmental receipts. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Human services programs accounted for \$13,651,152 or 35.5 percent of total disbursements for governmental activities. Other major program disbursements for governmental activities include health, which accounted for \$6,346,532 or 16.5 percent of total disbursements, public works, which accounted for \$5,593,044 or 14.5 percent of total disbursements, and general government – legislative and executive, which accounted for \$4,221,730 or 11 percent of total disbursements.

Business-Type Activities – As of December 31, 2009, business-type funds of the County reported net assets of \$548,588. This is a decrease of \$2,320,274 during 2009. This decrease is a direct result of the County not having bond proceeds during 2009 in the water fund.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2009 compared to 2008. The statement of activities reflects the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax receipts, unrestricted intergovernmental receipts, and unrestricted interest receipts.

Table 3
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
General Government:				
Legislative and Executive	\$ 4,221,730	\$ 4,861,288	\$ 2,142,881	\$ 2,867,076
Judicial	2,539,724	2,873,205	1,465,277	1,799,090
Public Safety	3,909,616	3,812,154	2,468,375	2,810,935
Public Works	5,593,044	5,845,870	(44,318)	(40,062)
Health	6,346,532	6,242,904	2,273,331	2,790,557
Human Services	13,651,152	13,629,535	1,897,675	2,080,891
Economic Development	586,357	480,079	41,571	85,408
Miscellaneous	444,257	347,262	444,257	347,262
Capital Outlay	190,497	391,868	190,497	391,868
Debt Service				
Principal	626,442	956,673	626,442	956,673
Interest and Fiscal Charges	397,945	404,529	397,945	404,529
Issuance Costs	0	4,525	0	4,525
Total Disbursements	\$ 38,507,296	\$ 39,849,892	\$ 11,903,933	\$ 14,498,752

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Charges for services, operating grants and contributions, capital grants and contributions of \$26,603,363 or 69.1 percent of the total costs of services are received and used to fund the general government disbursements of the County. The remaining \$11,903,933 in general government disbursements is funded by property taxes, permissive sales taxes, intergovernmental receipts, interest, miscellaneous receipts, and proceeds of debt.

The \$2,273,331 in net cost of services for health demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for several programs including the Department of Development Disabilities and County Home.

Financial Analysis of County Funds

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

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

As of December 31, 2009, the County's governmental funds reported a combined ending fund balance of \$17,641,373, an increase of \$825,460 in comparison with the prior year. \$17,413,800, or 98.7 percent of this total, constitutes unreserved, undesignated fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year \$165,715 or reserved for unclaimed monies \$61,858. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the state or federal government.

The General Fund is the primary operating fund of the County. At the end of 2009, unreserved fund balance was \$1,030,340, while total fund balance was \$1,030,340. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund disbursements. Unreserved fund balance represents 11.2 percent to total General Fund disbursements, while total fund balance represents 11.9 percent of that same amount.

The fund balance of the County's General Fund increased by \$535,973 during 2009. The primary reason for the increase was an increase in overall revenue in the general fund, particularly property and sales tax revenue.

At the end of 2009 the Public Assistance Fund had a fund balance of \$474,856 in comparison to a fund balance of \$718,492 at the end of 2008. This decrease is primarily due to an decrease in transfers in.

At the end of 2009 the Motor Vehicle and Gasoline Tax Special Revenue Fund had a fund balance of \$1,770,017 in comparison to a fund balance of \$1,593,190 at the end of 2008. This increase is primarily due to an increase in permissive motor vehicle license tax.

At the end of 2009 the Department of Developmental Disabilities Special Revenue Fund had a fund balance of \$10,058,133, in comparison to a fund balance of \$9,376,664 at the end of 2008. This increase is primarily due to revenue exceeding disbursements during the current year.

GUERNSEY COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Budgetary 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. The Board of County Commissioners adopts a permanent annual operating budget for the County on or about January 1.

For the General Fund, changes from the original budget to the final budget have been minimal. Fluctuations in growth and diversity have typically not occurred in Guernsey County, allowing department managers the ability to consistently predict receipts and disbursements.

Economic Factors

The unemployment rate for Guernsey County averaged 12.9 percent in 2009. This rate is higher than the State of Ohio rate of 10.7 percent in December of 2009.

The County's \$578,322,160 overall assessed valuation has decreased \$13,699,830 from the prior year. This decrease is attributable to the phase-out of the tangible personal property assessed values which declined by \$21,522,110 in 2009. Real property values have increased since the triennial update in 2006, and were up an additional \$7,822,280 in 2009.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Tony Brown, Guernsey County Auditor, 801 Wheeling Avenue, Cambridge, Ohio 43725.

Guernsey County, Ohio
Statement of Net Assets - Cash Basis
December 31, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 16,593,688	\$ 548,588	\$ 17,142,276
Cash and Cash Equivalents with Fiscal Agent	1,910,889	0	1,910,889
<i>Total Assets</i>	<u>\$ 18,504,577</u>	<u>\$ 548,588</u>	<u>\$ 19,053,165</u>
Net Assets			
Restricted for:			
Capital Outlay	775,950	0	775,950
Debt Service	149,821	0	149,821
Motor Vehicle and Gasoline Tax	1,770,017	0	1,770,017
Public Assistance	474,856	0	474,856
Children Services	1,403,628	0	1,403,628
Mental Retardation and Developmental Disabilities	10,058,133	0	10,058,133
Other Purposes	1,978,628	0	1,978,628
Unrestricted	1,893,544	548,588	2,442,132
<i>Total Net Assets</i>	<u>\$ 18,504,577</u>	<u>\$ 548,588</u>	<u>\$ 19,053,165</u>

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 4,221,730	\$ 2,078,849	\$ 0	\$ 0
Judicial	2,539,724	869,395	205,052	0
Public Safety	3,909,616	206,443	1,234,678	120
Public Works	5,593,044	240,925	4,003,125	1,393,312
Health	6,346,532	541,392	3,530,749	1,060
Human Services	13,651,152	186,633	11,551,632	15,212
Economic Development and Assistance	586,357	0	100,201	444,585
Other	444,257	0	0	0
Capital Outlay	190,497	0	0	0
Principal Retirements	626,442	0	0	0
Interest and Fiscal Charges	397,945	0	0	0
<i>Total Governmental Activities</i>	<u>38,507,296</u>	<u>4,123,637</u>	<u>20,625,437</u>	<u>1,854,289</u>
Business-Type Activities:				
Sewer Fund	260,424	293,748	0	0
Water Fund	4,331,464	1,987,637	13,859	0
<i>Total Business-Type Activities</i>	<u>4,591,888</u>	<u>2,281,385</u>	<u>13,859</u>	<u>0</u>
<i>Total - Primary Government</i>	<u>\$ 43,099,184</u>	<u>\$ 6,405,022</u>	<u>\$ 20,639,296</u>	<u>\$ 1,854,289</u>

General Receipts

Property Taxes Levied for:
 General Purposes
 Health Levy
 County Home
 Children Services
 Mental Retardation and Development Disabilities
 Senior Citizens Levy
 Sales Taxes Levied for:
 General Purposes
 Other Purposes
 Grants and Entitlements not Restricted to Specific Programs
 Investment Earnings
 Proceeds of OPWC Loan
 Proceeds of OWDA Loans
 Miscellaneous

Total General Receipts

Transfers

Total General Receipts and Transfers

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements) Receipts and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (2,142,881)	\$ 0	\$ (2,142,881)
(1,465,277)	0	(1,465,277)
(2,468,375)	0	(2,468,375)
44,318	0	44,318
(2,273,331)	0	(2,273,331)
(1,897,675)	0	(1,897,675)
(41,571)	0	(41,571)
(444,257)	0	(444,257)
(190,497)	0	(190,497)
(626,442)	0	(626,442)
(397,945)	0	(397,945)
<u>(11,903,933)</u>	<u>0</u>	<u>(11,903,933)</u>
0	33,324	33,324
<u>0</u>	<u>(2,329,968)</u>	<u>(2,329,968)</u>
0	(2,296,644)	(2,296,644)
<u>(11,903,933)</u>	<u>(2,296,644)</u>	<u>(14,200,577)</u>
1,223,723	0	1,223,723
252,859	0	252,859
435,589	0	435,589
757,177	0	757,177
1,830,176	0	1,830,176
342,303	0	342,303
5,194,450	0	5,194,450
596,628	0	596,628
1,323,096	0	1,323,096
581,676	3,563	585,239
53,257	0	53,257
0	73,344	73,344
462,859	19,576	482,435
13,053,793	96,483	13,150,276
<u>120,113</u>	<u>(120,113)</u>	<u>0</u>
13,173,906	(23,630)	13,150,276
1,269,973	(2,320,274)	(1,050,301)
<u>17,234,604</u>	<u>2,868,862</u>	<u>20,103,466</u>
<u>\$ 18,504,577</u>	<u>\$ 548,588</u>	<u>\$ 19,053,165</u>

Guernsey County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Mental Retardation and Developmental Disabilities	All Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 1,092,198	\$ 474,856	\$ 1,770,017	\$ 8,147,244	\$ 4,246,169	\$ 15,730,484
Cash and Cash Equivalents with Fiscal Agent	0	0	0	1,910,889	0	1,910,889
<i>Total Assets</i>	<u>\$ 1,092,198</u>	<u>\$ 474,856</u>	<u>\$ 1,770,017</u>	<u>\$ 10,058,133</u>	<u>\$ 4,246,169</u>	<u>\$ 17,641,373</u>
Fund Balances						
Reserved for Encumbrances	0	0	56,975	0	108,740	165,715
Reserved for Unclaimed Monies	61,858	0	0	0	0	61,858
Unreserved, Undesignated, Reported in:						
General Fund	1,030,340	0	0	0	0	1,030,340
Special Revenue Funds	0	474,856	1,713,042	10,058,133	3,211,658	15,457,689
Debt Service Funds	0	0	0	0	149,821	149,821
Capital Projects Funds	0	0	0	0	775,950	775,950
<i>Total Fund Balances</i>	<u>\$ 1,092,198</u>	<u>\$ 474,856</u>	<u>\$ 1,770,017</u>	<u>\$ 10,058,133</u>	<u>\$ 4,246,169</u>	<u>\$ 17,641,373</u>

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets - Cash Assets of Governmental Activities
December 31, 2009*

Total Governmental Fund Balances \$ 17,641,373

*Amounts reported for governmental activities in the statement
of net assets are different because*

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets of the internal service fund are included in governmental activities in the statement of net assets.

863,204

Net Assets of Governmental Activities

\$ 18,504,577

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Mental Retardation and Developmental Disabilities	All Other Governmental Funds	Total Governmental Funds
Receipts						
Property Taxes	\$ 1,223,723	\$ 0	\$ 0	\$ 1,830,176	\$ 1,787,928	\$ 4,841,827
Sales Tax	5,194,450	0	0	0	596,628	5,791,078
Special Assessments	0	0	0	0	66,490	66,490
Charges for Services	1,560,678	0	46,513	73,235	1,511,190	3,191,616
Licenses and Permits	22,280	0	0	0	94,306	116,586
Fines and Forfeitures	205,351	0	187,027	0	120,842	513,220
Intergovernmental	1,323,096	7,884,567	4,003,125	3,194,280	7,302,036	23,707,104
Interest	581,676	0	1,385	0	12,565	595,626
Rent	162,500	0	0	0	139,715	302,215
Contributions and Donations	0	0	0	0	15,278	15,278
Other	212,281	9	44	27,627	222,898	462,859
<i>Total Receipts</i>	<u>10,486,035</u>	<u>7,884,576</u>	<u>4,238,094</u>	<u>5,125,318</u>	<u>11,869,876</u>	<u>39,603,899</u>
Disbursements						
Current:						
General Government:						
Legislative and Executive	3,601,615	0	0	0	744,751	4,346,366
Judicial	2,134,183	0	0	0	408,636	2,542,819
Public Safety	2,572,462	0	0	0	1,406,674	3,979,136
Public Works	133,650	0	3,913,108	0	1,640,509	5,687,267
Health	64,382	0	0	4,418,465	1,887,606	6,370,453
Human Services	227,546	8,278,412	0	0	5,274,312	13,780,270
Economic Development and Assistance	179	0	0	0	586,178	586,357
Other	418,873	0	0	25,384	0	444,257
Capital Outlay	25,943	25,199	91,192	0	48,163	190,497
Debt Service:						
Principal Retirements	0	0	16,089	0	610,353	626,442
Interest and Fiscal Charges	0	0	0	0	397,945	397,945
<i>Total Disbursements</i>	<u>9,178,833</u>	<u>8,303,611</u>	<u>4,020,389</u>	<u>4,443,849</u>	<u>13,005,127</u>	<u>38,951,809</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,307,202</u>	<u>(419,035)</u>	<u>217,705</u>	<u>681,469</u>	<u>(1,135,251)</u>	<u>652,090</u>
Other Financing Sources and (Uses)						
Transfers In	17,250	175,399	24,622	0	746,695	963,966
Transfers Out	(761,103)	0	(65,500)	0	(17,250)	(843,853)
Advances In	0	0	0	0	27,376	27,376
Advances Out	(27,376)	0	0	0	0	(27,376)
Proceeds of OPWC Loan	0	0	0	0	53,257	53,257
<i>Total Other Financing Sources and (Uses)</i>	<u>(771,229)</u>	<u>175,399</u>	<u>(40,878)</u>	<u>0</u>	<u>810,078</u>	<u>173,370</u>
<i>Net Change in Fund Balance</i>	535,973	(243,636)	176,827	681,469	(325,173)	825,460
<i>Fund Balance, Beginning of Year</i>	556,225	718,492	1,593,190	9,376,664	4,571,342	16,815,913
<i>Fund Balance, End of Year</i>	<u>\$ 1,092,198</u>	<u>\$ 474,856</u>	<u>\$ 1,770,017</u>	<u>\$ 10,058,133</u>	<u>\$ 4,246,169</u>	<u>\$ 17,641,373</u>

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
*Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
of Governmental Funds to the Statement of Activities - Cash Basis
For The Year Ended December 31, 2009*

Net Change in Fund Balances - Total Governmental Funds \$ 825,460

*Amounts reported for governmental activities in the statement
of activities are different because*

The internal service funds used by management to charge the cost of insurance to individual funds in not reported in the entity-wide statements of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

444,513

Change in Net Assets of Governmental Activities

\$ 1,269,973

See accompanying notes to the basic financial statements.

Gurensy County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Property Taxes	\$ 1,262,972	\$ 1,262,972	\$ 1,237,345	\$ (25,627)
Sales Taxes	4,846,967	4,846,967	5,194,450	347,483
Charges for Services	1,657,954	1,657,954	1,560,678	(97,276)
Licenses and Permits	5,400	5,400	22,280	16,880
Fines and Forfeitures	112,594	112,594	205,351	92,757
Intergovernmental	1,351,569	1,351,569	1,323,096	(28,473)
Interest	501,200	501,200	582,871	81,671
Rent	162,500	162,500	162,500	0
Other	24,673	158,251	212,281	54,030
<i>Total Receipts</i>	<u>9,925,829</u>	<u>10,059,407</u>	<u>10,500,852</u>	<u>441,445</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	4,072,708	3,979,540	3,601,615	377,925
Judicial	2,201,221	2,192,262	2,134,183	58,079
Public Safety	2,580,807	2,601,793	2,572,462	29,331
Public Works	164,096	173,760	133,650	40,110
Health	64,341	64,382	64,382	0
Human Services	241,945	240,200	227,546	12,654
Economic Development and Assistance	33,258	33,437	179	33,258
Other	299,310	419,424	418,873	551
Capital Outlay	33,500	25,809	25,943	(134)
<i>Total Disbursements</i>	<u>9,691,186</u>	<u>9,730,607</u>	<u>9,178,833</u>	<u>551,774</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>234,643</u>	<u>328,800</u>	<u>1,322,019</u>	<u>993,219</u>
Other Financing Sources and (Uses)				
Transfers In	16,968	16,968	17,250	282
Transfers Out	(648,552)	(742,709)	(761,103)	(18,394)
Advances Out	(27,288)	(27,288)	(27,376)	(88)
<i>Total Other Financing Sources and (Uses)</i>	<u>(658,872)</u>	<u>(753,029)</u>	<u>(771,229)</u>	<u>(18,200)</u>
<i>Net Change in Fund Balance</i>	(424,229)	(424,229)	550,790	975,019
<i>Fund Balance, Beginning of Year</i>	457,110	457,110	457,110	0
<i>Prior Year Encumbrances Appropriated</i>	29,110	29,110	29,110	0
<i>Fund Balance, End of Year</i>	<u>\$ 61,991</u>	<u>\$ 61,991</u>	<u>\$ 1,037,010</u>	<u>\$ 975,019</u>

See accompanying notes to the basic financial statements.

Gurensy County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Intergovernmental	\$ 9,814,985	\$ 7,884,567	\$ 7,884,567	\$ 0
Other	2,385	9	9	0
<i>Total Receipts</i>	<u>9,817,370</u>	<u>7,884,576</u>	<u>7,884,576</u>	<u>0</u>
Disbursements				
Current:				
Human Services	10,756,992	8,748,467	8,278,412	470,055
Capital Outlay	15,000	30,000	25,199	4,801
<i>Total Disbursements</i>	<u>10,771,992</u>	<u>8,778,467</u>	<u>8,303,611</u>	<u>474,856</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(954,622)</u>	<u>(893,891)</u>	<u>(419,035)</u>	<u>474,856</u>
Other Financing Sources				
Transfers In	236,130	175,399	175,399	0
<i>Net Change in Fund Balance</i>	(718,492)	(718,492)	(243,636)	474,856
<i>Fund Balance, Beginning of Year</i>	<u>718,492</u>	<u>718,492</u>	<u>718,492</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 474,856</u>	<u>\$ 474,856</u>

See accompanying notes to the basic financial statements.

Gurensay County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts				
Charges for Services	\$ 0	\$ 0	\$ 46,513	\$ 46,513
Fines and Forfeitures	165,000	165,000	187,027	22,027
Intergovernmental	3,750,000	3,750,000	4,003,125	253,125
Interest	9,200	9,200	1,677	(7,523)
Other	6,371	6,371	44	(6,327)
<i>Total Receipts</i>	<u>3,930,571</u>	<u>3,930,571</u>	<u>4,238,386</u>	<u>307,815</u>
Disbursements				
Current:				
Public Works	4,497,958	4,549,532	3,970,083	579,449
Capital Outlay	100,000	100,000	91,192	8,808
Debt Service:				
Principal Retirements	16,089	16,089	16,089	0
<i>Total Disbursements</i>	<u>4,614,047</u>	<u>4,665,621</u>	<u>4,077,364</u>	<u>588,257</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(683,476)</u>	<u>(735,050)</u>	<u>161,022</u>	<u>896,072</u>
Other Financing Sources and (Uses)				
Transfers Out	(65,500)	(65,500)	(65,500)	0
Transfers In	14,867	14,867	24,622	9,755
<i>Total Other Financing Sources and (Uses)</i>	<u>(50,633)</u>	<u>(50,633)</u>	<u>(40,878)</u>	<u>9,755</u>
<i>Net Change in Fund Balance</i>	(734,109)	(785,683)	120,144	905,827
<i>Fund Balance, Beginning of Year</i>	1,555,118	1,555,118	1,555,118	0
<i>Prior Year Encumbrances Appropriated</i>	<u>37,780</u>	<u>37,780</u>	<u>37,780</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$ 858,789</u>	<u>\$ 807,215</u>	<u>\$ 1,713,042</u>	<u>\$ 905,827</u>

See accompanying notes to the basic financial statements.

Gurensen County, Ohio
Statement of Cash Receipts, Disbursements and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Department of Developmental Disabilities Fund
For the Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property Taxes	\$ 1,865,226	\$ 1,865,226	\$ 1,861,615	\$ (3,611)
Charges for Services	63,500	63,500	73,235	9,735
Intergovernmental	1,884,087	1,818,162	3,194,280	1,376,118
Other	26,600	26,600	27,627	1,027
<i>Total Receipts</i>	<u>3,839,413</u>	<u>3,773,488</u>	<u>5,156,757</u>	<u>1,383,269</u>
Disbursements				
Current:				
Health	6,432,635	7,204,326	4,418,465	2,785,861
Other	26,000	25,384	25,384	0
<i>Total Disbursements</i>	<u>6,458,635</u>	<u>7,229,710</u>	<u>4,443,849</u>	<u>2,785,861</u>
<i>Net Change in Fund Balance</i>	(2,619,222)	(3,456,222)	712,908	4,169,130
<i>Fund Balance, Beginning of Year</i>	<u>9,217,869</u>	<u>9,217,869</u>	<u>9,217,869</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$ 6,598,647</u></u>	<u><u>\$ 5,761,647</u></u>	<u><u>\$ 9,930,777</u></u>	<u><u>\$ 4,169,130</u></u>

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 151,590	\$ 396,998	\$ 548,588	\$ 863,204
 Net Assets				
Unrestricted	\$ 151,590	\$ 396,998	\$ 548,588	\$ 863,204

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
Operating Receipts				
Charges for Services	\$ 293,748	\$ 1,959,117	\$ 2,252,865	\$ 3,976,624
Tap-In Fees	0	28,520	28,520	0
Other	0	19,576	19,576	0
<i>Total Operating Receipts</i>	<u>293,748</u>	<u>2,007,213</u>	<u>2,300,961</u>	<u>3,976,624</u>
Operating Disbursements				
Personal Services	109,596	533,908	643,504	0
Contractual Services	83,148	1,077,759	1,160,907	469,951
Materials and Supplies	15,744	140,188	155,932	0
Claims	0	0	0	3,062,160
Capital Outlay	21,438	2,205,356	2,226,794	0
Other	6,358	52,842	59,200	0
<i>Total Operating Disbursements</i>	<u>236,284</u>	<u>4,010,053</u>	<u>4,246,337</u>	<u>3,532,111</u>
<i>Operating Income (Loss)</i>	<u>57,464</u>	<u>(2,002,840)</u>	<u>(1,945,376)</u>	<u>444,513</u>
Non-Operating Receipts (Disbursements)				
Proceeds of OWDA Loans	21,081	52,263	73,344	0
Interest	0	3,563	3,563	0
Intergovernmental	0	13,859	13,859	0
Principal Retirement	(24,140)	(163,422)	(187,562)	0
Interest and Fiscal Charges	0	(157,989)	(157,989)	0
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(3,059)</u>	<u>(251,726)</u>	<u>(254,785)</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	54,405	(2,254,566)	(2,200,161)	444,513
Transfers In	24,498	2,638	27,136	0
Transfers Out	0	(147,249)	(147,249)	0
<i>Total Transfers</i>	<u>24,498</u>	<u>(144,611)</u>	<u>(120,113)</u>	<u>0</u>
<i>Change in Net Assets</i>	78,903	(2,399,177)	(2,320,274)	444,513
<i>Net Assets, Beginning of Year</i>	<u>72,687</u>	<u>2,796,175</u>	<u>2,868,862</u>	<u>418,691</u>
<i>Net Assets, End of Year</i>	<u>\$ 151,590</u>	<u>\$ 396,998</u>	<u>\$ 548,588</u>	<u>\$ 863,204</u>

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds Funds
December 31, 2009

	Private Purpose Trust	Agency
Assets		
Cash and Cash Equivalents in Segregated Accounts	\$ 87,139	\$ 1,893,002
Net Assets		
Held in Trust for Children Services	87,139	0
Unrestricted	0	1,893,002
	\$ 87,139	\$ 1,893,002

See accompanying notes to the basic financial statements.

Guernsey County, Ohio
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2009

	<u>Private Purpose Trust</u>
Additions	
Interest	<u>\$ 2,886</u>
Deductions	
Payments in Accordance with Trust Agreements	<u>370</u>
<i>Change in Net Assets</i>	2,516
<i>Net Assets, Beginning of Year</i>	<u>84,623</u>
<i>Net Assets, End of year</i>	<u><u>\$ 87,139</u></u>

See accompanying notes to the basic financial statements.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 1: REPORTING ENTITY

Guernsey County (the “County”) is a body politic and corporate established in 1810 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is comprised of nineteen townships, one city, and ten villages. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County’s operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, County Municipal Court Judge, Common Pleas Judge (also serves as the Domestic Relations Judge) and Probate Court Judge (also serves as the Juvenile Court Judge). Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The County utilizes the standards of Government Accounting Standards Board Statement 14 for determining the reporting entity. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Guernsey County, this includes the Department of Developmental Disabilities, Children Services Board, Soldiers’ Relief Commission, Local Emergency Planning Committee (LEPC), Water and Sanitary Sewer Districts, Board of Mental Health and all departments and activities that are directly operated by the elected officials.

B. Component Units

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. The County is also financially accountable for any organizations that are fiscally dependent on the County in that the County approves their budget, the issuance of their debt, or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County.

The following potential component units have been excluded from the County’s financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuance of debt, or the levying of taxes:

- Guernsey County District Public Library
- GMN Educational Service Center
- Guernsey Health Systems (Guernsey Health Foundation)
- Pritchard-Laughlin Convention Center

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 1: REPORTING ENTITY (Continued)

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

Guernsey County General Health District is governed by the Board of Health. The Board adopts its own budget, hires and fires its own staff, and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District. The County cannot significantly influence the Health District's operations, nor is it obligated for the Health District's debt.

Guernsey County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Guernsey County Law Library is operated by a non-profit association organized under State statute. State statutes require the County Commissioners to pay the salary of the Law Librarian and provide adequate, suitable facilities at County expense for the use as a county law library. The Board of County Commissioners is not involved in the selection of trustees or management of the Law Library. The County exercises no oversight responsibility. The County Auditor maintains the Law Library Agency Fund and collect monies paid by the courts for payment to the board of trustees of the Law Library.

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, that that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The County participates in several jointly governed organizations and public entity risk pools. These organizations are presented in Notes 15, 16 and 17 to the basic financial statements. These organizations are:

- Southeastern Ohio Joint Solid Waste Management District
- Guernsey-Monroe-Noble Community Action Corporation (GMN)
- Southeast Ohio Juvenile Rehabilitation District (SEOJRD)
- Guernsey County Family Service Council
- Mental Health and Recovery Services Board
- South Eastern Narcotics Team (SENT)
- Mid-East Ohio Regional Council of Governments (MEORC)
- Ohio Mid-Eastern Governments Association (OMEGA)
- Cambridge-Guernsey County Visitors and Convention Bureau
- The Area Office on Aging
- Eastern Ohio Correctional Center (EOCC)
- Southeast Area Transit (SAT)

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 1: REPORTING ENTITY (Continued)

- Guernsey County Convention Facilities Authority
- Cambridge Metropolitan Housing Authority
- Guernsey County Convention Facilities Authority
- Cambridge Metropolitan Housing Authority
- Guernsey County Park District
- Guernsey County Airport Authority
- County Risk Sharing Authority (CORSA)
- County Commissioners Association of Ohio Service Corporation (CCAOSC)

The County's management believes these financial statements present all activities for which the County is financially accountable.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under Basis of Accounting, 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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The County does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. 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 financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are consider business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and cash disbursements.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net assets presents the cash balance of the governmental and business-type 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 and business-type 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 interest earned on grants that is 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 or business activity is self-financing on a modified 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 governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions and nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 are presented in three categories: governmental, proprietary, 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 – The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Assistance – The Public Assistance fund accounts for various federal and state grants as well as transfers from the General Fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Motor Vehicle and Gasoline Tax (MVGT) – The Motor Vehicle and Gasoline Tax Fund accounts for receipts derived from motor vehicle licenses, gasoline taxes, grants and interest. Disbursements in this fund are restricted by state law to County road and bridge repair/improvements programs.

Department of Development Disabilities – The Department of Development Disabilities Fund accounts for the operation of a school and the costs of administering a workshop for the mentally retarded and developmentally disabled residents of the County. Receipt sources are federal and state grant monies and a county-wide property tax levy.

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

Proprietary Funds

The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

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

Sewer Fund – The Sewer Fund accounts for sanitary sewer services provided to County individual and commercial users. The costs of providing these services are provided primarily through user charges.

Water Fund – The Water fund accounts for water services provided to County individual and commercial users. The costs of providing these services are financed primarily through user charges.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County’s own programs. The County’s only trust fund is a private-purpose trust fund that accounts for monies received in trust for children’s services. 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, and fines and forfeitures collected and distributed to other political subdivisions.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the County are described in the appropriate section in this note.

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 fund, program, department, and object level for all funds.

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 certificate 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, cash received by the County, except cash held by a fiscal agent, is pooled and invested. Individual fund integrity is maintained through County 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 with Fiscal Agents."

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

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 2009, the County invested in STAROhio, federal agency securities, county boards, and non-negotiable certificates of deposit. Investments are reported at cost, except for STAROhio. STAROhio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

Interest earnings are allocated to County funds according to state statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$581,676, which includes \$554,890 assigned from other County funds.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. 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.

G. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. 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.

I. Interfund Receivables/Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. 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 modified cash basis of accounting.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Employer Contributions to Cost-Sharing Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Note 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Interfund Activity

Transfers within governmental activities on the government-wide statements are reported in the same manner as general receipts. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

M. Long-Term Obligations

The County's modified 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. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay are reported at inception. Lease payments are reported when paid.

N. Net Assets

Net assets are 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 assets restricted for other purposes primarily include activities involving the senior citizens services, court programs, various health services, 911 system and economic development. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The government-wide statement of net assets reports \$16,611,033 of restricted net assets, of which none is restricted by enabling legislation.

O. Fund Balance Reserves

The County reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and unclaimed monies. Reserve for unclaimed monies is established by law and are not available for appropriation until they have remained unclaimed for five years.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Transactions

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

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 and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Q. Changes in Accounting Principles

For the year ended December 31, 2009, the County has implemented GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*," GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," and GASB Statement No. 56, "*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*."

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the County.

NOTE 3: 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 modified 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, net assets/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.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 4: BUDGETARY BASIS OF ACCOUNTING

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 Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the modified cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis).
2. Unrecorded cash and unrecorded interest are reported on the balance sheet (modified cash basis) but not on the budgetary basis.
3. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (modified cash basis) in the appropriate County fund.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified cash basis are as follows:

	<u>General</u>	<u>Public Assistance</u>	<u>MVGT</u>	<u>MRDD</u>
Modified Cash Basis	\$ 535,973	\$ (243,636)	\$ 176,827	\$ 681,469
Beginning of Year:				
Agency Fund Cash Allocation	68,810	0	292	158,795
Unrecorded Cash	1,195	0	0	0
End of Year:				
Agency Fund Cash Allocation	(55,188)	0	0	(127,356)
Encumbrances	<u>0</u>	<u>0</u>	<u>(56,975)</u>	<u>0</u>
 Budget Basis	 <u>\$ 550,790</u>	 <u>\$ (243,636)</u>	 <u>\$ 120,144</u>	 <u>\$ 712,908</u>

NOTE 5: DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories, active and inactive. Active monies are public deposits necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Deposits held by the County which are not considered active, are classified as inactive. Beginning June 15, 2004, inactive monies may be deposited or invested in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;
9. Commercial paper notes, corporate notes and bankers' acceptances; and
10. 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.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk 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, \$766,877 of the County's bank balance of \$4,042,906 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had not been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

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

At December 31, 2009, the County's MRDD special revenue fund had a cash balance of \$1,910,889 with MEORC, a jointly governed organization (See Note 15). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain information, write to Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Investments

At December 31, 2009, the County had the following investments. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>	<u>Percent of Total Investment</u>	<u>Rating</u>	<u>Rating Agency</u>
Guernsey County General					
Obligation Bonds	\$ 223,740	12/1/2020	1.4%	N/A	N/A
STAROhio	62,707	Immediately	0.4%	AAAm	S&P
First American Government					
Obligation Money Market Fund	69,675	Immediately	0.4%	AAAm	S&P
Negotiable CD's	172,084	1/29/2010 - 10/9/12	1.1%	N/A	N/A
Federal Home Loan Mortgage	1,925,240	3/19/14 - 12/30/14	12.1%	AAA	Moody's
Freddie Mac Notes	1,675,793	9/15/13 - 3/3/14	10.5%	AAA	Moody's
Federal Home Loan Bank Bonds	6,131,648	5/14/12 - 10/22/14	38.5%	AAA	Moody's
Federal Farm Credit Bank Bonds	1,583,446	4/7/14 - 5/5/14	9.9%	AAA	Moody's
Federal National Mortgage Association Notes	<u>4,088,415</u>	1/29/13 - 12/10/14	<u>25.7%</u>	AAA	Moody's
Total Investments	<u><u>\$ 15,932,748</u></u>		<u><u>100%</u></u>		

Interest Rate Risk The County has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The County has no investment policy that addresses credit risk beyond the requirements of State statute. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of the 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 credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 6: PERMISSIVE SALES AND USE TAX

On February 27, 1989, the County Commissioners adopted a resolution which imposed a one quarter of one percent Permissive Sales Tax (Piggy Back Tax). The sales tax came into effect on April 1, 1992, and expired on April 1, 1993. This sales tax was renewed for two consecutive one-year terms and expired on April 1, 1995. On August 1, 1993, the County Commissioners adopted a resolution which imposed an additional one-quarter of one percent Permissive Sales Tax bringing the total Permissive Sales Tax to one-half of one percent. On February 22, 1995, the County Commissioners adopted a resolution to combine the two one-quarter of one percent Permissive Sales Taxes to a one-half of one percent tax. On January 19, 2005, the County Commissioners passed a resolution making the sales tax permanent. The revenues generated from the sales tax are used for the purpose of providing additional revenue for the County's General Fund and Bond Retirement Debt Service Fund.

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, to the State Auditor, the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

NOTE 7: PROPERTY TAXES

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

2009 real property taxes are levied after October 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2009.

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 is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2009 with real property taxes.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 7: PROPERTY TAXES (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by taxing districts due to the phasing out of the tax. In calendar years 2006-2010, taxing districts will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

The full tax rate for all County operations for the year ended December 31, 2009, was \$12.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real property	\$ 141,499,350
Tangible personal property	328,340
Public utility personal property	<u>6,487,610</u>
Total assessed property value	<u><u>\$ 148,315,300</u></u>

NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the County has addressed these various types of risk.

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty members.

Under the CORSA program for general liability, auto liability, error and omission for public officials, and law enforcement liability, the County has \$1,000,000 of total liability coverage for each loss. Each of these areas contains a \$2,500 member deductible amount. Property damage is covered for \$63,853,631, equipment breakdown coverage is covered for \$100,000,000 and crime insurance is covered for \$1,000,000 for each occurrence.

In addition, the County maintains replacement cost insurance through CORSA on other property including the following: \$1,000,000 for valuable papers and extra expenses, \$250,000 for unintentional omissions, \$100,000,000 for flood and earthquake damage, and \$1,000,000 debris removal.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 8: RISK MANAGEMENT (Continued)

Contractor's equipment, miscellaneous inland marine, and auto physical damage are insured for their actual cash value under CORSA.

The amounts of settlements have not exceeded commercial coverage in any of the past four years. Also, the limits have not been lowered significantly in the past year.

With the exception of workers' compensation, health, dental, vision, and life insurances, all other insurance is held with CORSA. The County pays all elected officials bonds by statute. The County contracts with Central Benefits to provide employees with medical, dental, and prescription insurance through a self-insurance program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss on this program.

For 2009, the County participated in the County Commissioners Association of Ohio Service Corporation Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 17) The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings that accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. For the County, an additional cost of \$95,470 was charged for 2009. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

NOTE 9: DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety division exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

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

The County's contribution rate for 2009 was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.63 percent of covered payroll. For 2009, a portion of the County's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$988,576, \$932,875 and \$902,317, respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$9,565 made by the County and \$13,664 made by plan members.

NOTE 9: DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service or an allowance based on member contributions and earned interest matched by STRS Ohio funds, times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits.

Funding Policy – For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008 (the latest information available), the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contribution for pension obligations for the DBP for the fiscal years ended June 30, 2009, 2008, and 2007 were \$15,243, \$14,833 and \$14,279, respectively. The full amount has been contributed for fiscal year 2009, 2008 and 2007. For fiscal year 2009, the County did not have any employees participating in either the DC or Combined Plans.

NOTE 10: POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll for 2009.

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

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$979,011, \$918,540 and \$594,341, respectively; the full amounts have been contributed for 2009, 2008 and 2007.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2008. Member and employer contribution rates increased as of January 1, 2006, January 1, 2008, and January 1, 2009, which allowed additional funds to be allocated to the health care plan.

NOTE 10: POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System

Plan Description – The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (“STRS Ohio”). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. STRS Ohio is on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

STRS Ohio issues a financial report that includes financial information for the health care plan. Interested parties can view the most recent report at www.strsoh.org or obtain a copy by calling (888) 227-7877.

Funding Policy – All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2006. The County’s contributions for fiscal years ended June 30, 2009, 2008 and 2007 were \$1,173, \$1,141 and \$1,098, respectively.

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT

The County's debt activity for the year ended December 31, 2009 was as follows:

	Outstanding 12/31/2008	Additions	Reductions	Outstanding 12/31/2009	Amounts Due Within One Year
Governmental Activities:					
<i>Special Assessment Bonds:</i>					
Stop Nine Sanitary Sewer-1993, \$559,200, 5%	\$ 48,900	\$ 0	\$ (1,000)	\$ 47,900	\$ 1,100
Sundew and Zane Waterline-1996, \$84,000, 4.95%	47,787	0	(4,567)	43,220	4,793
Cedar Hills Sewer-1996, \$171,785, 4.95%	82,102	0	(10,118)	71,984	10,619
Eastmoor Sanitary Sewer-1998, \$186,000, 4.5%	113,500	0	(9,300)	104,200	9,700
Wolf's Den Road Waterline-2000, \$63,880, 6%	38,328	0	(3,194)	35,134	3,194
State Route 313 Sewer-2006, \$200,000, 4.20-5.25%	190,000	0	(5,000)	185,000	5,000
<i>Total Special Assessment Bonds</i>	<u>520,617</u>	<u>0</u>	<u>(33,179)</u>	<u>487,438</u>	<u>34,406</u>
<i>General Obligation Bonds:</i>					
Various Purpose Refunding and Improvement Serial Bonds-2003, 2.000-5.00%, \$7,260,000	3,705,000	0	(525,000)	3,180,000	550,000
Various Purpose Refunding and Improvement Term Bonds-2003, 2000-5.00%, \$3,825,000	3,825,000	0	0	3,825,000	0
Public Improvement-1996, \$124,959, 4.95%	70,110	0	(5,315)	64,795	4,589
Engineer's Garage Bond-2008, \$205,000, 3.89%	205,000	0	(41,000)	164,000	41,000
<i>Total General Obligation Bonds</i>	<u>7,805,110</u>	<u>0</u>	<u>(571,315)</u>	<u>7,233,795</u>	<u>595,589</u>
<i>Long-Term Notes:</i>					
Ohio State University Extension Building Series 2006, \$100,000, 5.5%	194,465	0	(5,859)	188,606	6,200
<i>OPWC Loans:</i>					
OPWC Loan-2007, \$53,257, 0%	0	53,257	(3,993)	49,264	2,663
OPWC Loan-1999, \$30,670, 0%	1,533	0	(1,533)	0	0
OPWC Loan-2000, \$60,200, 0%	13,573	0	(10,563)	3,010	3,010
<i>Total OPWC Loans</i>	<u>15,106</u>	<u>53,257</u>	<u>(16,089)</u>	<u>52,274</u>	<u>5,673</u>
<i>Total Governmental Activities</i>	<u>\$ 8,535,298</u>	<u>\$ 53,257</u>	<u>\$ (626,442)</u>	<u>\$ 7,962,113</u>	<u>\$ 641,868</u>

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT (Continued)

	Outstanding 12/31/2008	Additions	Reductions	Outstanding 12/31/2009	Amounts Due Within One Year
Business-Type Activities:					
<i>General Obligation Bonds:</i>					
Kimbolton Waterline - 1992, \$142,000, 5.75%	\$ 96,200	\$ 0	\$ (2,400)	\$ 93,800	\$ 2,500
North Salem Waterline - 1994, \$450,000, 5%	341,600	0	(8,300)	333,300	8,800
Route 40 East Waterline - 2008, \$2,839,000, 4.42%	2,792,395	0	(58,956)	2,733,439	61,592
<i>Total General Obligation Bonds</i>	3,230,195	0	(69,656)	3,160,539	72,892
 <i>OWDA Loans:</i>					
Water Fund OWDA - 1989, \$1,444,319, 7.8%	67,608	0	(67,608)	0	0
Water Fund OWDA - 2006, \$577,793, 2%	240,667	0	(26,158)	214,509	14,444
Water Fund OWDA - 2006, \$111,000, sub-account	111,000	0	0	111,000	0
Water Fund OWDA - 2009, \$69,134, 2%	0	52,263	0	52,263	0
Sewer Fund OWDA - 2007, \$539,188, 4.67%	488,961	21,081	(24,140)	485,902	0
<i>Total OWDA Loans</i>	908,236	73,344	(117,906)	863,674	14,444
 <i>Total Business-Type Activities</i>	 \$ 4,138,431	\$ 73,344	\$ (187,562)	\$ 4,024,213	\$ 87,336

Governmental Activities

Special Assessment Bonds – As of December 31, 2009, the County has \$487,438 in special assessment bonded debt outstanding. The debt is being repaid from the Special Assessment Bond Retirement Debt Service Fund with proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. During 2006, the County entered into special assessment bonds in the amount of \$200,000 for the State Route 313 sewer project. The State Route 313 sewer project bonds were issued with a discount of \$4,200. Principal and interest requirements to retire the special assessment bonds outstanding at December 31, 2009 are as follows:

Year Ending December 31	Principal	Interest	Total
2010	\$ 34,406	\$ 23,834	\$ 58,240
2011	35,568	22,167	57,735
2012	41,869	20,438	62,307
2013	43,209	18,428	61,637
2014	44,791	16,341	61,132
2015-2019	155,101	52,954	208,055
2020-2024	77,894	26,704	104,598
2025-2029	42,300	7,343	49,643
2030-2033	12,300	1,580	13,880
 Totals	 \$ 487,438	\$ 189,789	\$ 677,227

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT (Continued)

General Obligation Bonds – As of December 31, 2009, the County has \$7,233,795 in general obligation bonded debt outstanding that is being retired by the Bond Retirement Debt Service Fund. During fiscal year 2008, the County entered into new general obligation bonds for the construction and furnishing a building to house road machinery, supplies and personnel (Engineer’s Garage). The bonds were issued for a 5 year period with final maturity at February 1, 2013. The bonds were issued at an interest rate of 3.89 percent.

On November 20, 1996, the County entered into \$124,959 of general obligation bonds. The bonds were issued for a 20 year period with final maturity at December 1, 2016.

On January 31, 2008, the County issued bonds in the amount of \$205,000. The bonds were issued to repay \$255,000 Engineer’s Garage note outstanding at February 7, 2008. The bonds were issued for a five year period with final maturity at February 1, 2013. The bond was entered into with a issuance cost of \$4,525.

On April 15, 2003, the County entered into \$11,085,000 of various purpose refunding and improvement general obligation bonds that consisted of \$7,260,000 in serial bonds and \$3,825,000 in term bonds with varying interest rates from 2.00% to 5.00%. \$4,960,000 was used to refund the 1992 Public Improvement Bonds in the amount of \$4,690,000. \$1,545,000 was used to retire the outstanding amount of bond anticipation notes, and the remainder of the bond issue was used to make additional improvements to the County administrative and courthouse buildings and to make permanent improvements to the County’s water system. The general obligation bonds were sold at a premium of \$54,817.

The bonds are being retired from property and sales tax revenues. The bonds are subject to mandatory and optional redemption as follows:

Mandatory Redemption:

The bonds maturing on December 1, 2023 (the 2023 Term Bonds) and 2028 (the 2028 Term Bonds, and together with the 2023 Term Bonds, collectively, the Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption is to occur on December 1, in each of the years illustrated below at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedules:

2023 Term Bonds		2028 Term Bonds	
Year	Amount	Year	Amount
2018	\$ 395,000	2024	\$ 210,000
2019	415,000	2025	215,000
2020	435,000	2025	225,000
2021	460,000	2027	235,000
2022	480,000		
Total	\$ 2,185,000	Total	\$ 885,000

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT (Continued)

The balance of the principal amounts of the Term Bonds will be paid at stated maturity in the following amounts: 2023 Term Bonds - \$505,000 on December 1, 2023; and 2028 Term Bonds - \$250,000 on December 1, 2028.

Optional Redemption:

The Bonds maturing after December 1, 2012 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole on any date or in part (as selected by the County) on any date and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2009 are as follows:

Year Ending December 31	Principal	Interest
2010	\$ 595,589	\$ 326,248
2011	619,826	299,677
2012	364,025	276,329
2013	373,185	262,620
2014	346,303	248,261
2015-2019	1,919,867	1,005,015
2020-2024	2,090,000	496,124
2025-2028	925,000	106,649
Totals	\$ 7,233,795	\$ 3,020,923

Long-Term Notes – On October 29, 2007, the County entered into \$200,000 in a long-term note that was used to construct an office building for the Ohio State University Extension Services. This bond anticipation note is backed by the full faith and credit of the County. The note will be retired from the issuance of bonds. This bond anticipation note matures on November 1, 2017 along with interest payable at 5.75% of the principal amount.

Year Ending December 31	Principal	Interest
2010	\$ 6,200	\$ 10,757
2011	6,562	10,395
2012	6,944	10,013
2013	7,349	9,608
2014	7,778	9,179
2015-2019	46,249	38,536
2020-2024	61,403	23,382
2025-2028	46,121	4,750
Totals	\$ 188,606	\$ 116,620

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT (Continued)

OPWC Loans – As of December 31, 2009, the County has \$52,274 in Ohio Public Works Commission loans outstanding. These loans were entered into for bridge replacement and various road paving projects within the County and will be repaid from the Bond Retirement Debt Service Fund. These loans are interest free. Principal requirements to retire the OPWC loans outstanding at December 31, 2009 are as follows:

Year Ending December 31	Principal
2010	\$ 5,673
2011	2,663
2012	2,663
2013	2,663
2014	2,663
2015-2019	13,317
2020-2024	13,317
2025-2028	9,315
Totals	<u>\$ 52,274</u>

Business-Type Activities:

General Obligation Bonds – As of December 31, 2009, the County has \$3,160,539 in general obligation bonded debt outstanding. The bonds were issued to construct lines and a building associated with the County water system. These bonds will be repaid from revenues derived by the County from the operation of the water system.

Principal requirements to retire the general obligation bonds outstanding at December 31, 2009 are as follows:

Year Ending December 31	Principal	Interest
2010	\$ 72,892	\$ 147,466
2011	76,245	144,129
2012	79,721	140,638
2013	83,325	136,988
2014	87,264	133,172
2015-2019	499,634	602,142
2020-2024	625,026	476,614
2025-2029	782,241	319,448
2030-2034	854,191	124,385
Totals	<u>\$ 3,160,539</u>	<u>\$ 2,224,982</u>

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

NOTE 11: DEBT (Continued)

Ohio Water Development Authority (OWDA) Loans – Water Enterprise Fund

The County has pledged future customer revenues, net of specified operating expenses, to repay \$377,772 in OWDA loans issued from 2006 to 2009. Proceeds from these loans provided financing for various water projects. The loans are payable solely from customer net revenues and are payable through 2030. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 5.30 percent. The total principal and interest remaining to be paid on the loans is \$416,042. Principal and interest paid for the current year and total net revenues were \$103,807 and (\$1,933,155), respectively.

In 2009, the County entered into an OWDA loan for the purpose of updating the Guernsey County eastern water system. An amortization schedule for this project will not be available until the entire amount of the loan has been drawn down or until the project is complete. The amount drawn down in 2009 was \$52,263.

Principal and interest requirements to retire the Water Enterprise Fund OWDA loans outstanding at December 31, 2009 are as follows:

Year Ending December 31	Principal	Interest
2010	\$ 12,360	\$ 2,085
2011	10,454	3,991
2012	10,664	3,781
2013	10,878	3,567
2014	11,097	3,348
2015-2019	58,920	13,302
2020-2024	65,084	7,137
2025-2029	35,052	1,059
2030	111,000	0
Totals	<u>\$ 325,509</u>	<u>\$ 38,270</u>

Ohio Water Development Authority (OWDA) Loans – Sewer Enterprise Fund

The County has pledged future customer revenues, net of specified operating expenses, to repay a \$539,188 OWDA loan issued in 2008. Proceeds from this loan provided financing for various sewer projects. The loan is payable solely from customer net revenues and is payable through 2013. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 8.22 percent. The total principal remaining to be paid on the loan is \$485,902. The County is still currently drawing down monies on the loan and therefore the total interest amount has not been calculated. An amortization schedule for this loan will not be available until the entire amount of the loan has been drawn down or until the project is complete. Principal and interest paid for the current year and total net revenues were \$24,140 and \$78,545, respectively.

NOTE 11: DEBT (Continued)

GUERNSEY COUNTY, OHIO
Notes to the Cash Financial Statements
For the Year Ended December 31, 2009

The Ohio Revised Code provides that net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 1 percent of the total assessed valuation of the County. The Ohio Revised Code further provides that total voted and un-voted net debt of the County less the same exempt debt shall never exceed a sum equal to 3 percent of the first \$100,000,000 of assessed valuation, plus 1.5 percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5 percent of such valuation in excess of \$300,000,000.

NOTE 12: INTERFUND TRANSFERS AND ADVANCES

A. Transfers

During 2009 the following transfers were made:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General</u>	<u>Motor Vehicle And Gas Tax</u>	<u>Other Non-major Governmental</u>	
Major Funds:				
General	\$ 17,250	\$ 0	\$ 0	\$ 17,250
Public Assistance	175,399	0	0	175,399
Motor Vehicle & Gas	24,622	0	0	24,622
Nonmajor Funds:				
Other Nonmajor	708,331	65,500	0	773,831
Total Governmental	<u>925,602</u>	<u>65,500</u>	<u>0</u>	<u>991,102</u>
Business Type:				
Water Enterprise	2,638	0	147,249	149,887
Sewer Enterprise	24,497	0	0	24,497
Total Business Type	<u>\$ 27,135</u>	<u>\$ 0</u>	<u>\$ 147,249</u>	<u>\$ 174,384</u>
Total Transfers Out	<u>\$ 778,353</u>	<u>\$ 65,500</u>	<u>\$ 147,249</u>	<u>\$ 991,102</u>

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; to move monies to the General Fund as pursuant to Ohio Revised Code 325.33; to move monies to the General Fund as approved by the common pleas court, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Water Fund and Motor Vehicle and Gas Tax Fund transferred \$147,249 and \$65,500, respectively, to the Bond Retirement Fund for debt payments. All other transfers were made from the General Fund to various other funds to provide additional resources for current operations.

GUERNSEY COUNTY, OHIO
 *****Notes to the Cash Financial Statements
 For the Year Ended December 31, 2009

B. Advances

During 2009, the County advanced \$27,376 from the General Fund to the County Home Special Fund. The interfund loan is expected to be repaid within one year.

NOTE 13: FEDERAL FOOD STAMP PROGRAM

The County's Department of Job and Family Services distributes federal food stamps to entitled recipients within Guernsey County. The receipt and issuance of food stamps have the characteristics of federal "grants"; however, the Department of Job and Family Services merely acts in an intermediary capacity. The inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to the stamps rests with the ultimate recipient.

NOTE 14: CONTRACTUAL COMMITMENTS

As of December 31, 2009 the City had contractual commitments for the following projects:

	Contractual Commitment	Expended	Balance 12/31/2009
Ohio WV Excavating - Waterline Construction	\$ 296,000	\$ 185,944	\$ 110,056
Kirk - Waterline Construction	158,931	78,736	80,195
Total	\$ 454,931	\$ 264,680	\$ 190,251

NOTE 15: JOINTLY GOVERNED ORGANIZATIONS

A. Southeastern Ohio Joint Solid Waste Management District

The County is a member of the Southeastern Ohio Joint Solid Waste Management District (District) which consists of Monroe, Guernsey, Morgan, Muskingum, Noble, and Washington Counties. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2009. No future contributions by the County are anticipated. A thirty-one member policy committee comprised of five members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

NOTE 15: JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Guernsey-Monroe-Noble Community Action Corporation (GMN)

The Guernsey-Monroe-Noble Community Action Corporation (GMN) is a non-profit organization formed to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe, and Noble Counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The agency receives federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. During 2009, the County made no contributions to the Guernsey-Monroe-Noble Community Action Corporation.

C. Southeast Ohio Juvenile Rehabilitation District (SEOJRD)

The Southeast Ohio Juvenile Rehabilitation District (SEOJRD) is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble counties. SEOJRD was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by SEOJRD. The participating entities created a Judicial Rehabilitation Board; the members of which are made up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont County has three appointees, and Jefferson, Guernsey, Harrison, Monroe, and Noble Counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Guernsey County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. During 2009, the County made no contributions to SEOJRD.

NOTE 15: JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. Guernsey County Family Service Council

The Guernsey County Family Service Council (Council) is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Board of Alcohol, Drug Addiction, and Mental Health Services, Director of the Guernsey County Community Mental Health Services Board, Health Commissioner of the Guernsey County Health Department, Health Commissioner of the City of Cambridge Health Department, Director of the Guernsey County Human Services, Director of the Children Services Department, Superintendent of the Guernsey County Department of Development Disabilities, the Guernsey County Juvenile Court Judge, Superintendent of Cambridge City Schools, Mayor of the City of Cambridge, one representative from the City of Cambridge, Chair of the Guernsey County Commissioners, State Department of Youth Services Regional representative, representative from the County Head Start Agencies, a representative of the County's Early Intervention Collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986", and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. In 2009, the County made a \$6,000 in-kind contribution to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

E. Mental Health and Recovery Services Board

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

During 2009, Guernsey County did not contribute any revenue through a levy. The revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Continued existence of the Board is not dependent on County's continued participation. The County has no equity interest in, or financial responsibility for the Board. The Board has no outstanding debt.

F. South Eastern Narcotics Team (SENT)

SENT is a multi-jurisdictional drug task force with the primary goal of combating major narcotic traffickers in Monroe, Belmont, Carroll, Guernsey, Harrison, and Tuscarawas Counties. It is jointly governed among the participating counties and cities. A grant is received from the State of Ohio of which the participating entities must match twenty-five percent. SENT is comprised by thirty-two members. Each member's control over the operation of SENT is limited to its representation of the Board. During 2009, Guernsey County made no contributions to SENT.

NOTE 15: JOINTLY GOVERNED ORGANIZATIONS (Continued)

G. Mid-East Ohio Regional Council of Governments (MEORC)

The Mid-East Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Department of Developmental Disabilities. Revenues are generated by fees and state grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2009, Guernsey County made no contribution to MEORC.

H. Ohio Mid-Eastern Governments Association (OMEGA)

Ohio Mid-Eastern Governments Association (OMEGA) is organized as an agency of the local governments by agreement among the membership. OMEGA is comprised of Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas, and Columbiana Counties and other political subdivisions in the counties. OMEGA was formed to aid and assist the participating counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA's governing board is comprised of a total of three members from each county which appoints an executive board consisting of one person from each member county to supervise the administrative functions of OMEGA. The executive board elects officers, appoints an executive director and its own fiscal officer. The Board exercises total control, including budgeting, appropriating, contracting, and designating management. The continued existence of OMEGA is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the OMEGA. OMEGA has no outstanding debt. During 2009, the County made no contribution to OMEGA.

I. Cambridge-Guernsey County Visitors and Convention Bureau (Bureau)

The Bureau is organized under State Statute by agreement between the Guernsey County Commissioners, the Cambridge Area Chamber of Commerce, and the Cambridge-Guernsey Community Improvement Corporation who acts as the fiscal agent for the Bureau. The Bureau operates the Guernsey County Tourist Information Center. The Bureau is governed by a seven member Board of Directors. The Board is comprised of one member of the Guernsey County Board of Commissioners, one member appointed by the Guernsey County Board of Commissioners, the president of the Guernsey Innkeeper's Association, one member appointed by the Guernsey County Innkeeper's Association, the president of the Chamber of Commerce, one member appointed by the Chamber of Commerce, and the executive vice president of the Chamber of Commerce. The Board exercises total control, including budgeting, appropriating, contracting, and designating management. The County collects and distributes a three percent hotel/motel lodging tax to the Bureau. The County has no equity interest in, or financial responsibility for the Bureau. The Bureau has no outstanding debt. During 2009, the County made a contribution of \$5,650 to the Cambridge Guernsey County Visitors and Convention Bureau.

NOTE 15: JOINTLY GOVERNED ORGANIZATIONS (Continued)

J. The Area Office on Aging

The Area Office on Aging (Council) is a regional council of governments that assists nine counties, including Guernsey County in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Council is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the Council. The Council has no outstanding debt. During 2009, the County made no contributions to the Area Office on Aging.

K. Eastern Ohio Correctional Center (EOCC)

The Eastern Ohio Correctional Center (EOCC) is a six county facility created pursuant to the Ohio Revised Code Section 2301.51. EOCC serves Belmont, Carroll, Columbiana, Guernsey, Harrison, and Jefferson Counties. The EOCC was formed in 1987 to offer drug treatment, education, work release, community services, and other rehabilitation services to convicted felons within the six counties. The EOCC is governed by a ten member board comprised of two common pleas court judges from Belmont, Carroll, Columbiana, and Jefferson Counties and one common pleas court judge from Guernsey and Harrison Counties. The common pleas judges appoint a citizens advisory board to assist in the operations of the EOCC. The board has total control over budgeting, personnel, and financial matters. The EOCC receives funding in the form of state grant monies which are used to provide the various services of the EOCC. Jefferson County serves as fiscal agent for EOCC. During 2009, the EOCC received no monies from Guernsey County. The continued existence of the EOCC is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the EOCC. The EOCC has no outstanding debt.

L. Southeast Area Transit (SAT)

The Southeast Area Transit (SAT) was created pursuant to state statute in 1979. SAT formulates general policy for the operation of the Regional Transit Authority. Other duties of SAT include determining routes and fares, formulate operating procedures, promote and maintain community awareness, and appoint and remove the General Manager and Secretary/Treasurer. SAT is limited to a ten member board comprised of six individuals appointed by the Mayor of Zanesville, two people appointed by Muskingum County Commissioners, one individual appointed by the Mayor of South Zanesville, and one person appointed by the Guernsey County Commissioners. In 2009, Guernsey County contributed \$-0-. The continued existence of the Authority is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Authority. SAT has no outstanding debt.

NOTE 16: RELATED ORGANIZATIONS

A. Guernsey County Convention Facilities Authority

The Guernsey County Convention Facilities Authority (Authority) was created pursuant to State Statutes for the purpose of constructing, equipping, and operating a convention facility in Guernsey County. The Authority operates under the direction of an eleven member appointed board of directors. This board consists of six members appointed by Guernsey County, three members appointed by the Mayor of the City of Cambridge, and two members appointed by the remaining municipal corporations located within the County. The board contracted with a private group for the construction and operation of the Pritchard-Laughlin Civic Center; this center is controlled by a private board of directors which are self-appointing and have total control over the operation of the center including budgeting, appropriating, contracting, and designation of management. The Authority levied a three percent hotel/motel tax that is collected and distributed directly to the Center by the Guernsey County Commissioners. The County is prohibited from contributing to the operations of the Authority by state law. During 2009, the County made no contributions to the Guernsey County Convention Facilities Authority.

B. Cambridge Metropolitan Housing Authority

The Cambridge Metropolitan Housing Authority (Authority) is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to state statutes. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. During 2009, the County made no contributions to the Cambridge Metropolitan Housing Authority.

C. Guernsey County Park District

The Guernsey County Park District (District) is governed by a three member Park District Board of Commissioners appointed by the probate judge of the County. State statute provides that the County Auditor and Treasurer are Ex-officio members of the Park District Board of Commissioners and designates the county auditor as fiscal officer of the commission. The county commissioners do not have the ability to significantly influence operations, designate management, approve budgets, nor is the County responsible for funding deficits. The County maintains an agency fund for the District's operation since the County serves as fiscal agent for the District. During 2009, the County made a contribution of \$8,100 to the Park District.

D. Guernsey County Airport Authority

The Guernsey Airport Authority (Authority) is governed by a five-member Board. The original Board was appointed by the Guernsey County Commissioners, and the Commissioners approve members to fill vacancies upon recommendation of the current Authority Board. The Authority derives its revenues from hangar rental, state and federal grants received directly by the Authority, and interest. The County is not financially accountable for the Authority; the County cannot impose its will on the Authority; and no financial benefit/burden relationship exists between the County and the Authority. During 2009, the County contributed \$33,258 to the Airport Authority.

NOTE 17: PUBLIC ENTITY RISK POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a jointly governed organization among thirty-nine counties in Ohio. CORSA was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

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

B. County Commissioners Association of Ohio Service Corporation (CCAOSC)

The County participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as an insurance purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participants.

The group executive committee consists of nine members. Two members are the president and treasurer of CCAOSC; the remaining seven members are representatives of the participants. These seven members are elected for the ensuing year by the participants at a meeting held in December of each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a county commissioner.

NOTE 18: CONTINGENT LIABILITIES

Amounts grantor agencies pay to the County are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Guernsey County, Ohio as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 16, 2010, the County uses the cash basis, a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

We noted certain matters that we have reported to management in a separate letter dated August 16, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guernsey County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards*., which is described in the accompanying Schedule of Findings as item 2009-01 and 2009-2. We also noted certain immaterial instances of noncompliance, which we have reported to management of Guernsey County in a separate letter dated August 16, 2010.

Guernsey County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Guernsey County's response and, accordingly, we express no opinion on it.

This report is intended for the information of the management, the Board of County Commissioners, Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
August 16, 2010

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Guernsey County
627 Wheeling Avenue
Cambridge, Ohio 43725

Compliance

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

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

In our opinion, the Guernsey County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The management of Guernsey County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Internal Control Over Compliance (Continued)

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

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

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended for the information of the management, The Board of Commissioners, the Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
August 16, 2010 and September 6, 2011 for Adoption Assistance Program

GUERNSEY COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION 505
DECEMBER 31, 2009**

1. Summary of Auditor's Results

(d)(1)(I)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
(d)(1)(ii)	Were there any other significant deficiencies In internal control reported at the financial statement level (GAGAS)?	NO
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	YES
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	NO
(d)(1)(iv)	Were there any other significant deficiencies In internal control reported for major federal programs?	NO
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section. 510?	NO
(d)(1)(vii)	Major Programs:	SNAP; CFDA #10.561,10.551 Foster Care; CFDA 93.658 Social Service BG; CFDA #93.667 TANF, CFDA #93.558 Child Care Cluster CFDA #93.575/596 CSEA, CFDA #93.563 Adoption Assistance, CFDA #93.659
(d)(1)(viii)	Dollar Threshold: Type A\B Programs:	Type A: >\$300,000; Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

FINDING NUMBER 2009-01

Noncompliance Citation

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

GUERNSEY COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

OMB CIRCULAR A-133 SECTION 505

DECEMBER 31, 2009

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)

FINDING NUMBER 2009-01 (CONTINUED)

Ohio Admin. Code Section 117-2-03 (B) requires the County to file its annual 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 Revised Code Section 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

We recommend the County take necessary steps to ensure the annual financial report is prepared in accordance with generally accepted accounting principles.

Client Response: Guernsey County has not filed GAAP financial statements because we feel that the costs related to the GAAP filing requirements far outweigh the benefits that Guernsey County would realize.

FINDING NUMBER 2009-02

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 10.7% of the expenditures tested for 2009.

The County should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the County can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the County to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Auditor without subsequent authorization from the Commissioners. However, then and now certificates issued by the Auditor over \$3,000 must be authorized by the Commissioners within thirty days after payment.

Client Response: Client will more closely monitor and try to use the Then and Now certificates when applicable.

GUERNSEY COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
OMB CIRCULAR A-133 SECTION 505
DECEMBER 31, 2009**

3. Findings and Questioned Costs for Federal Awards

FINDING NUMBER 2009-03

CFDA Title and Number Community Development Block Grant State program #14.228
Federal Award Number/Year: B-E-06-026-1
Federal Agency: U.S. Department of Housing and Urban Development
Pass Through Agency: Ohio Department of Development

Noncompliance Citation - Cash Management

Grantees must develop a cash management system to ensure compliance with the Fifteen-Day Rule relating to prompt disbursement of funds. This rule state that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any funds. Lump sum draw downs are not permitted. Escrow accounts are permitted only in the case of rehabilitation of private property. For the purpose of the Fifteen-day Rule only, funds deposited into an escrow account will be considered expended, but it should be noted that funds may only be in an escrow account for 20 days. In 2008 draw downs were made but the disbursements made did not bring the balance on hand to \$5,000.

Client Response: We will more closely monitor draw downs and the expenditures to try to be in compliance with this rule.

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

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>				
(Pass through Ohio Department of Education)				
Child Nutrition Cluster:				
Food Distribution Program	n/a	10.550	\$ -	\$ 2,007
National School Lunch Program	071118-llpa-4	10.555	2,828	-
(Pass through Ohio Department of Health)				
Women, Infants and Children	n/a	10.557	226,444	-
(Pass through Ohio Department of Job and family Services)				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
SNAP Refunds	n/a	10.551	1,663	-
SNAP		10.561	364,890	-
SNAP - ARRA		10.561	35,314	-
			401,867	-
Total U.S. Department of Agriculture			631,139	2,007
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
(Pass through Ohio Department of Development)				
Community Development Block Grant	B-C-06-028-1	14.228	52,956	-
	B-F-08-028-1		4,613	-
	Program Income		43,905	-
			101,474	-
HOME Partnership Grant	B-C-06-028-2	14.239	57,518	-
	Program Income		40,943	-
			98,461	-
Total U.S. Department of Housing and Urban Development			199,935	-
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
(Pass through Ohio Office of Criminal Justice Services)				
Edward Bryne Memorial JAG Grant - ARRA	n/a	16.803	7,439	-
	JJWC-022-07		-	-
			7,439	-
Total Corporation for National and Community Service			7,439	-
<u>ELECTION ASSISTANCE COMMISSION</u>				
(Pass through Ohio Secretary of State)				
Help America Vote Act - Title II, 251	09-SOS-HAVA-30	90.401	5,750	-
			5,750	-
Total Election Assistance Commission			5,750	-
<u>U.S. DEPARTMENT OF EDUCATION:</u>				
(Pass through Ohio Department of Education)				
Special Education Cluster:				
Special Education Grants to States (Title VI-B)	071118-6BSF-08/09	84.027	31,790	-
Preschool Disability Grant	071118-C2S1	84.173	27	-
			31,817	-
Total U.S. Department of Education			31,817	-

See notes to Schedule of Federal Awards Expenditures.

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

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
(Pass through Ohio Department of Transportation)				
Highway Planning	n/a	20.205	<u>1,062,174</u>	-
Total U.S. Department of Transportation			1,062,174	-
<u>U.S. DEPARTMENT OF LABOR</u>				
(Pass through Area 7 Workforce Investment Board)				
Workforce Investment Act Cluster:				
WIA Youth	n/a	17.259	257,827	-
WIA Youth - ARRA	n/a		158,027	-
WIA Youth Administration	n/a		15,305	-
WIA Youth Administration - ARRA	n/a		<u>1,817</u>	-
			432,976	-
WIA Adult	n/a	17.258	329,568	-
WIA Adult - ARRA	n/a		80,830	-
WIA Adult Administration	n/a		48,162	-
WIA Adult Administration - ARRA	n/a		<u>6,101</u>	-
			464,661	-
WIA Dislocated Worker	n/a	17.260	243,421	-
WIA Dislocated Worker - ARRA	n/a		88,229	-
WIA Dislocated Worker Administration	n/a		36,411	-
WIA Dislocated Worker Administration - ARRA	n/a		<u>3,985</u>	-
			372,046	-
Total Workforce Investment Act Cluster			1,269,683	-
Veterans Employment Program	n/a	17.802	13,349	-
Veterans Employment Program Administration			<u>1,676</u>	-
			15,025	-
Total U.S. Department of Labor			1,284,708	-

See notes to Schedule of Federal Awards Expenditures.

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

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
(Pass through Ohio Department of DD)				
Social Services Block Grant	n/a	93.667	35,059	-
Medical Assistance Program - ARRA	n/a	93.778	136,905	-
Medical Assistance Program - Administrative Claiming	n/a	93.778	32,438	-
			<u>169,343</u>	-
(Pass through Ohio Department of Job and Family Services)				
Temporary Assistance for Needy Families (TANF)	n/a	93.558	2,483,473	-
Child Support Enforcement	n/a	93.563	1,105,216	-
Child Care Cluster:				
Child Care Block Grant	n/a	93.575	291,573	-
Child Care Block Grant - ARRA	n/a		104,418	-
Child Care and Mandatory Funds	n/a	93.596	512,377	-
Child Care and Mandatory Funds - Admin	n/a		21,624	-
			<u>929,992</u>	-
Foster Care Title IV-E	n/a	93.658	387,105	-
Foster Care Title IV-E - Admin			493,673	-
Foster Care Title IV-E - ARRA			29,811	-
			<u>910,589</u>	-
Adoption Assistance	n/a	93.659	492,342	-
Adoption Assistance -ARRA	n/a		4,533	-
			<u>496,875</u>	-
Social Service Block Grant	n/a	93.667	447,482	-
Medical Assistance Program	n/a	93.778	244,480	-
			<u>6,822,509</u>	-
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Pass through Ohio EMA				
FEMA Grant - Hazard Mitigation		97.039	746,772	-
Emergency Management Performance Grant	2006-EM-E6-0042	97.042	33,426	-
FY07/08 State Homeland Security Program	2007/8-GE-T7/8-0051	97.073	35,279	-
			<u>35,279</u>	-
FY07 Citizens Corps Program	2007-GE-T7-0030	97.053	2,553	-
			<u>2,553</u>	-
			818,030	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
(Passed through USEPA Region 5)				
State & Tribal Assistance Grant	XP-OOE75801-0	66.419	165,604	-
			<u>165,604</u>	-
Total U.S. Environmental Protection Agency			165,604	-
Total Federal Awards Expenditures			<u>\$ 11,029,105</u>	<u>\$ 2,007</u>

See notes to Schedule of Federal Awards Expenditures.

GUERNSEY COUNTY
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTES A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - SUBRECIPIENTS

The County passes-through certain Federal assistance received from the Ohio Department of Development to other governments. As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE C - CHILD NUTRITION CLUSTER

Program regulations do not require the County to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

GUERNSEY COUNTY

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 SECTION 315(b)**

December 31, 2009

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-01	OAC 117-2-03B Not filing report in accordance with GAAP	No	Not Corrected. Cited in current report as finding 2009-01
2008-02	ORC 5705.41(D) Invoices dated prior to certification	No	Not Corrected. Cited in current report as item 2009-02
2008-03	Cash Management CDBG Program 15 day rule	No	Not Corrected. Cited in current report as item 2009-03. Originally reported in 2006

GUERNSEY COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 SECTION 315(b)
December 31, 2009**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-01	The County will continue to prepare 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 for 2007	N/A	Tony Brown, County Auditor
2009-02	The County Auditor plans to inform all department heads and other such applicable prsonnel the requirements set forth by this Code Section	December 31, 2009	Tony Brown, County Auditor
2009-03	The County Auditor plans on discussing drawdown procedures and forcasting of expenses with appropriate personnel to try to eliminate excess cash on hand	December 31, 2009	Tony Brown, County Auditor



Dave Yost • Auditor of State

GUERNSEY COUNTY FINANCIAL CONDITION

GUERNSEY 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 25, 2011