



**VINTON COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



**JIM PETRO**  
**AUDITOR OF STATE**

STATE OF OHIO



**VINTON COUNTY  
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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Vinton County  
100 Main Street  
McArthur, Ohio 45651

To the Board of County Commissioners:

We have audited the accompanying general purpose financial statements of the Vinton County, Ohio, (the County) as of and for the year ended December 31, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Vinton Industries, Inc. the County's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Vinton Industries, Inc., is based upon the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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 made by management, as well as evaluating the financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Vinton County, as of December 31, 1999, and the results of its operations and the cash flows of its non-expendable trust fund and discretely presented component unit for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2000 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the County, taken as a whole. The accompanying schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

July 26, 2000

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**VINTON COUNTY**  
 Combined Balance Sheet  
 All Fund Types, Account Groups  
 and Discretely Presented Component Unit  
 As of December 31, 1999

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
<b>Assets and Other Debits:</b>					
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$168,330	\$1,642,757	\$0	\$151,903	\$437,937
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	227,182
Receivables:					
Taxes	549,474	292,857	0	0	3,921,445
Accounts	0	5,100	0	0	0
Accrued Interest	5,278	0	0	0	0
Due from Other Funds	27,999	12,239	0	0	2,990
Due from Other Governments	0	93,361	0	0	186,982
Materials and Supplies					
Inventory	0	169,617	0	0	0
Notes Receivable (Net of Allowance for Doubtful Accounts)	0	1,116,431	0	0	0
Restricted Assets:					
Advances to Other Funds	46,775	47,258	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0	0
<b>Other Debits:</b>					
Other Assets	0	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$797,856</b>	<b>\$3,379,620</b>	<b>\$0</b>	<b>\$151,903</b>	<b>\$4,776,536</b>



ACCOUNT GROUPS		Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only) Reporting Entity
General Fixed Assets	General Long-Term Obligations	Primary Government	Vinton Industries, Inc.	
\$0	\$0	\$2,400,927	\$38,913	\$2,439,840
0	0	227,182	0	227,182
0	0	4,763,776	0	4,763,776
0	0	5,100	0	5,100
0	0	5,278	0	5,278
0	0	43,228	0	43,228
0	0	280,343	0	280,343
0	0	169,617	0	169,617
0	0	1,116,431	0	1,116,431
0	0	94,033	0	94,033
4,126,186	0	4,126,186	25,343	4,151,529
0	0	0	10	10
0	320,464	320,464	0	320,464
<u>\$4,126,186</u>	<u>\$320,464</u>	<u>\$13,552,565</u>	<u>\$64,266</u>	<u>\$13,616,831</u>

(Continued)

**VINTON COUNTY**  
 Combined Balance Sheet  
 All Fund Types, Account Groups  
 and Discretely Presented Component Unit  
 As of December 31, 1999

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
<b>Liabilities, Fund Equity and Other Credits:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$21,801	\$111,158	\$0	\$0	\$0
Accrued Wages and Benefits	30,767	106,651	0	0	0
Compensated Absences Payable	6,270	31,873	0	0	0
G.O. Bonds Payable	0	0	0	0	0
Due to Other Funds	0	6,104	0	0	37,124
Due to Other Governments	6,711	9,100	0	0	4,261,356
Deferred Revenue	450,711	265,276	0	0	0
Undistributed Monies	0	0	0	0	435,347
Deposits Held and Due to Others	0	0	0	0	300
Payroll Withholdings	0	0	0	0	26,465
Advances from Other Funds	0	94,033	0	0	0
<i>Total Liabilities</i>	516,260	624,195	0	0	4,760,592
<b>Fund Equity and Other Credits:</b>					
Investment in General Fixed Assets					
Fund Balance:					
Reserved for Encumbrances	53,778	186,850	0	0	0
Reserved for Unclaimed Monies	26,729	0	0	0	0
Reserved for Notes Receivable	0	1,116,431	0	0	0
Reserved for Inventory	0	169,617	0	0	0
Reserved for Endowments	0	0	0	0	15,944
Unreserved:					
Undesignated (Deficit)	201,089	1,282,527	0	151,903	0
<i>Total Fund Equity (Deficit) and Other Credits</i>	281,596	2,755,425	0	151,903	15,944
<i>Total Liabilities and Fund Equity and Other Credits</i>	\$797,856	\$3,379,620	\$0	\$151,903	\$4,776,536

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

ACCOUNT GROUPS		Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only) Reporting Entity
General Fixed Assets	General Long-Term Obligations	Primary Government	Vinton Industries, Inc.	
\$0	\$0	\$132,959	\$988	\$133,947
0	0	137,418	0	137,418
0	227,266	265,409	0	265,409
0	93,198	93,198	0	93,198
0	0	43,228	0	43,228
0	0	4,277,167	0	4,277,167
0	0	715,987	0	715,987
0	0	435,347	0	435,347
0	0	300	0	300
0	0	26,465	0	26,465
0	0	94,033	0	94,033
-----	-----	-----	-----	-----
0	320,464	6,221,511	988	6,222,499
-----	-----	-----	-----	-----
4,126,186	0	4,126,186	0	4,126,186
0	0	240,628	0	240,628
0	0	26,729	0	26,729
0	0	1,116,431	0	1,116,431
0	0	169,617	0	169,617
0	0	15,944	0	15,944
0	0	1,635,519	63,278	1,698,797
-----	-----	-----	-----	-----
4,126,186	0	7,331,054	63,278	7,394,332
-----	-----	-----	-----	-----
<u>\$4,126,186</u>	<u>\$320,464</u>	<u>\$13,552,565</u>	<u>\$64,266</u>	<u>\$13,616,831</u>

**VINTON COUNTY**  
 Combined Statement of Revenues, Expenditures,  
 And Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Revenues:</b>					
Taxes	\$1,246,163	\$357,778	\$0	\$0	\$1,603,941
Charges for Services	324,900	363,086	0	0	687,986
Fees, Licenses and Permits	3,063	0	0	0	3,063
Fines and Forfeitures	79,318	1,712,353	0	0	1,791,671
Intergovernmental	313,709	4,562,277	0	402,935	5,278,921
Interest	134,906	14,566	0	0	149,472
Other	76,603	1,060,531	0	0	1,137,134
<b>Total Revenues</b>	<b>2,178,662</b>	<b>8,070,591</b>	<b>0</b>	<b>402,935</b>	<b>10,652,188</b>
<b>Expenditures:</b>					
Current:					
General Government:					
Legislative and Executive	844,531	541,532	0	0	1,386,063
Judicial	306,241	245,678	0	0	551,919
Public Safety	556,512	207,572	0	0	764,084
Public Works	0	2,883,365	0	0	2,883,365
Health	89,044	1,069,555	0	0	1,158,599
Human Services	94,788	2,407,704	0	0	2,502,492
Conservation and Recreation	7,700	0	0	0	7,700
Capital Outlay	0	0	0	391,467	391,467
Other	306,033	0	0	0	306,033
Debt Service:					
Principal Retirement	0	0	5,492	0	5,492
Interest and Fiscal Charges	0	0	6,908	0	6,908
<b>Total Expenditures</b>	<b>2,204,849</b>	<b>7,355,406</b>	<b>12,400</b>	<b>391,467</b>	<b>9,964,122</b>
Excess of Revenues Over (Under) Expenditures	(26,187)	715,185	(12,400)	11,468	688,066
<b>Other Financing Sources (Uses):</b>					
Operating Transfers - In	1,824	133,384	12,400	6,407	154,015
Operating Transfers - Out	(52,913)	(53,563)	0	0	(106,476)
<b>Total Other Financing Sources (Uses)</b>	<b>(51,089)</b>	<b>79,821</b>	<b>12,400</b>	<b>6,407</b>	<b>47,539</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(77,276)	795,006	0	17,875	735,605
Fund Balances at Beginning of Year	358,872	1,940,311	0	134,028	2,433,211
Increase (Decrease) in Reserve for Inventory	0	20,108	0	0	20,108
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$281,596</b>	<b>\$2,755,425</b>	<b>\$0</b>	<b>\$151,903</b>	<b>\$3,188,924</b>

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

**VINTON COUNTY**  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999

	GENERAL		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$1,220,000	\$1,228,477	\$8,477
Charges for Services	220,900	324,900	104,000
Fees, Licenses and Permits	1,000	1,234	234
Fines and Forfeitures	63,250	77,258	14,008
Intergovernmental	293,000	313,709	20,709
Interest	0	132,799	132,799
Other	141,685	68,091	(73,594)
<i>Total Revenues</i>	1,939,835	2,146,468	206,633
<b>Expenditures:</b>			
Current:			
General Government:			
Legislative and Executive	932,704	891,439	41,265
Judicial	327,716	323,169	4,547
Public Safety	614,668	592,355	22,313
Health	25,883	89,104	(63,221)
Human Services	107,754	99,399	8,355
Conservation and Recreation	0	7,700	(7,700)
Other	262,692	306,272	(43,580)
<i>Total Expenditures</i>	2,271,417	2,309,438	(38,021)
Excess of Revenues Under Expenditures	(331,582)	(162,970)	168,612
<b>Other Financing Sources (Uses):</b>			
Advances - In	0	126,300	126,300
Advances - Out	0	(42,096)	(42,096)
Operating Transfers - In	0	1,824	1,824
Operating Transfers - Out	(52,913)	(52,913)	0
<i>Total Other Financing Sources (Uses)</i>	(52,913)	33,115	86,028
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(384,495)	(129,855)	254,640
Fund Balance at Beginning of Year	214,888	214,888	0
Fund Balance at End of Year	(\$169,607)	\$85,033	\$254,640

(Continued)

**VINTON COUNTY**  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999  
 (Continued)

	SPECIAL REVENUE		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$311,968	\$343,592	\$31,624
Charges for Services	231,798	338,961	107,163
Fines and Forfeitures	1,469,775	1,711,677	241,902
Intergovernmental	4,644,416	4,496,617	(147,799)
Interest	(25,012)	14,566	39,578
Other	1,015,955	1,251,776	235,821
<i>Total Revenues</i>	7,648,900	8,157,189	508,289
<b>Expenditures:</b>			
Current:			
General Government:			
Legislative and Executive	720,565	546,816	173,749
Judicial	445,145	267,424	177,721
Public Safety	274,894	214,539	60,355
Public Works	3,776,714	3,324,651	452,063
Health	1,123,221	1,083,410	39,811
Human Services	2,681,781	2,564,151	117,630
<i>Total Expenditures</i>	9,022,320	8,000,991	1,021,329
Excess of Revenues Over (Under) Expenditures	(1,373,420)	156,198	1,529,618
<b>Other Financing Sources (Uses):</b>			
Advances - In	0	409,310	409,310
Advances - Out	0	(493,514)	(493,514)
Operating Transfers - In	104,469	133,384	28,915
Operating Transfers - Out	(53,563)	(53,563)	0
<i>Total Other Financing Sources (Uses)</i>	50,906	(4,383)	(55,289)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,322,514)	151,815	1,474,329
Fund Balance at Beginning of Year	1,289,663	1,289,663	0
Fund Balance at End of Year	(\$32,851)	\$1,441,478	\$1,474,329

(Continued)

**VINTON COUNTY**  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances- Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999  
 (Continued)

	DEBT SERVICE		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$0	\$0	\$0
<i>Total Revenues</i>	0	0	0
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	5,492	5,492	0
Interest and Fiscal Charges	6,908	6,908	0
<i>Total Expenditures</i>	12,400	12,400	0
Excess of Revenues Under Expenditures	(12,400)	(12,400)	0
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	12,400	12,400	0
<i>Total Other Financing Sources (Uses)</i>	12,400	12,400	0
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	\$0	\$0	\$0

(Continued)

**VINTON COUNTY**  
 Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999  
 (Continued)

	CAPITAL PROJECTS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$261,603	\$402,935	\$141,332
<i>Total Revenues</i>	261,603	402,935	141,332
<b>Expenditures:</b>			
Capital Outlay	402,468	391,467	11,001
<i>Total Expenditures</i>	402,468	391,467	11,001
Excess of Revenues Over/Under Expenditures	(140,865)	11,468	152,333
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	6,407	6,407	0
<i>Total Other Financing Sources</i>	6,407	6,407	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(134,458)	17,875	152,333
Fund Balance at Beginning of Year	134,027	134,027	0
Fund Balance at End of Year	(\$431)	\$151,902	\$152,333

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



**VINTON COUNTY**  
Statement of Revenues, Expenses and  
Changes in Fund Equity  
Non-Expendable Trust Fund and Discretely Presented Component Unit  
For the Year Ended December 31, 1999

	PRIMARY GOVERNMENT Non-Expendable Trust	COMPONENT UNIT Vinton Industries, Inc.	Totals (Memorandum Only) Reporting Entity
<b>Operating Revenues:</b>			
Charges for Services	\$0	\$49,694	\$49,694
Contributions	0	20,993	20,993
Other	0	3,796	3,796
<i>Total Operating Revenues</i>	0	74,483	74,483
<b>Operating Expenses:</b>			
Personal Services	900	0	900
Program Services	0	79,254	79,254
Depreciation	0	5,732	5,732
<i>Total Operating Expenses</i>	900	84,986	85,886
Operating Income (Loss)	(900)	(10,503)	(11,403)
<b>Non-Operating Revenues (Expenses):</b>			
Interest Income	900	4,051	4,951
<i>Total Non-Operating Revenues (Expenses)</i>	900	4,051	4,951
Net Income (Loss)	0	(6,452)	(6,452)
Retained Earnings/Fund Balance at Beginning of Year	15,944	69,730	85,674
Retained Earnings/Fund Balance at End of Year	\$15,944	\$63,278	\$79,222

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

**VINTON COUNTY**  
Statement of Revenues, Expenditures and Changes  
In Fund Balances - Budget (Non-GAAP Basis) and Actual  
Non-Expendable Trust Fund  
For the Year Ended December 31, 1999

	NON-EXPENDABLE TRUST		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Interest	\$0	\$900	\$900
Other	(14,443)	0	14,443
<i>Total Revenues</i>	(14,443)	900	15,343
<b>Expenditures:</b>			
Personal Services	1,500	900	600
<i>Total Expenditures</i>	1,500	900	600
Excess of Revenues Under Expenditures	(15,943)	0	15,943
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(15,943)	0	15,943
Fund Balance at Beginning of Year	15,944	15,944	0
Fund Balance at End of Year	\$1	\$15,944	\$15,943

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

**VINTON COUNTY**  
Statement of Cash Flows  
Non-Expendable Trust Fund and Discretely Presented Component Unit  
For the Year Ended December 31, 1999

	PRIMARY GOVERNMENT Non-Expendable Trust	COMPONENT UNIT Vinton Industries, Inc.	Totals (Memorandum Only) Reporting Entity
<b><i>Increase (Decrease) in Cash and Cash Equivalents:</i></b>			
<b><i>Cash Flows from Operating Activities:</i></b>			
Cash Received from Customers	\$0	\$74,483	\$74,483
Cash Payments to Suppliers for Goods and Services	(900)	0	(900)
Cash Payments for Program Services	0	(78,816)	(78,816)
	-----	-----	-----
<i>Net Cash Provided by (Used for) Operating Activities</i>	(900)	(4,333)	(5,233)
	-----	-----	-----
<b><i>Cash Flows from Capital and Related Financing Activities:</i></b>			
Interest Income	900	4,051	4,951
	-----	-----	-----
<i>Net Cash Used for Capital and Related Financing Activities</i>	900	4,051	4,951
	-----	-----	-----
Net Increase/(Decrease) in Cash and Cash Equivalents	0	(282)	(282)
Cash and Cash Equivalents at Beginning of Year	15,944	39,195	55,139
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$15,944	\$38,913	\$54,857
	=====	=====	=====
<b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i></b>			
Operating Income (Loss)	(\$900)	(\$10,503)	(\$11,403)
<b><i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i></b>			
Depreciation	0	5,732	5,732
Changes in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	0	438	438
	-----	-----	-----
Total Adjustments	0	6,170	6,170
	-----	-----	-----
Net Cash Provided by (Used for) Operating Activities	(\$900)	(\$4,333)	(\$5,233)
	=====	=====	=====

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

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**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

Vinton County, Ohio (the County), is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, County Court Judge, Probate-Juvenile Judge, and Common Pleas Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

**Reporting Entity:** The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Vinton County, this includes the Vinton County Board of Mental Retardation and Development Disabilities, Vinton County Children Services Board, Vinton County Child Support Enforcement Agency, and departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or levying of taxes.

**Discretely Presented Components Unit:** The component unit column in the combined financial statements identifies the financial data of the County's component unit, Vinton Industries, Inc. This entity is reported separately to emphasize that it is legally separate from the County.

Vinton Industries, Inc. (the Corporation) is a legally separate, not-for-profit corporation, served by a self-appointing Board of Trustees. The Corporation, under contractual agreement with the Vinton County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped adults in Vinton County. The Vinton County Board of Mental Retardation and Developmental Disabilities provides the Corporation with some funds to operate with. The Corporation also raises revenue through the services its clients provide for other entities and goods it sells.

Additional information related to Vinton Industries, Inc., is presented in Note 18 to the General Purpose Financial Statements. Complete financial statements of the individual component unit can be obtained from the administration offices of Vinton Industries, Inc., Post Office Box 477, McArthur, Ohio 45651.

The County is associated with certain organizations which are defined as Jointly Governed Organizations. These organizations are presented in Note 17 to the General Purpose Financial Statements. These organizations are:

- The Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District
- South Central Regional Juvenile Detention Center
- Buckeye Joint-County Self Insurance Council
- Alcohol, Drug Addiction and Mental Health Services Board of Athens, Hocking and Vinton Counties

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (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 Entities listed below, the County serves as fiscal agent, but the Entities are not fiscally dependent on the County. Accordingly, the activity of the following Entities and agencies are presented as Agency Funds within the County's financial statements.

- Family and Children First Council
- Soil and Water Conservation District
- Vinton County Health District

**Basis of Presentation - Fund Accounting:** The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes herein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental and fiduciary.

**Governmental Fund Types:** Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in enterprise funds) are accounted for through governmental funds. The following are the County's governmental fund types:

General Funds These funds are used to account for all financial resources of the County except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds These funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs and special assessment long-term debt principal, interest and related costs.

Capital Projects Funds These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fiduciary Fund Types:** Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the County's fiduciary fund types:

Nonexpendable Trust Funds These funds are used to account for trusts or bequests of the County whereby, the resources of the trust may not be expended.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)**

Agency Funds These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**Account Groups:** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group The General Fixed Assets Account Group is used to account for all fixed assets of the County.

General Long-Term Obligations Account Group The General Long-Term Obligations Account Group is used to account for all long-term debt of the County.

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

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

**Measurement Focus and Basis of Accounting:** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Nonexpendable Trust Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Nonexpendable Trust Fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, permissive sales tax (see Note 7), federal and state grants and entitlements, charges for current services, and fines and forfeitures. Major revenue sources not susceptible to accrual include licenses and permits which are not considered measurable until received.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 1999 and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2000 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund liabilities when due, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The Nonexpendable Trust Fund is reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized at the time they are incurred, if measurable.

**Budgetary Process:** The budgetary process is prescribed by provisions of Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

**Tax Budget:** A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

**Budgeted Level of Expenditures:** Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation resolution without authority from the Commissioners. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation. Commissioners appropriations are made to fund, department and object level (i.e., General Fund - Commissioners - personal services, fringe benefits, supplies and materials, contractual services and other expenditures).

**Estimated Resources:** The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include actual unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.



**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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

**Appropriations:** A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**Encumbrances:** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds.

**Lapsing of Appropriations:** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

**Cash and Cash Equivalents:** Cash balances of the County's funds, except cash held by a trustee or fiscal agent and in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Investments are reported using adjusted cost basis, which approximates market value. Each fund type's share of the pool is presented on the balance sheet in the account "Equity in Pooled Cash and Cash Equivalents." For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents. Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts." Interest is distributed to the General Fund, the MVGT Fund, the Economic Development Fund, the Law Enforcement Block Grant Fund, the U.S.T. Escrow Fund, and the Sheppard Trust Fund. Interest earned during 1999 amounted to \$150,372.

**Inventory of Supplies:** Inventories of governmental funds are stated at cost which is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

**Prepaid Items:** There were no significant prepaid items as of December 31, 1999.

**Interfund Assets and Liabilities:** Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

**Notes Receivable:** The County issues loans through several programs to qualifying businesses or individuals who then pay off the loans over a given time period. The total loans receivable, less an allowance for uncollectible accounts, is recorded in the accompanying financial statements as notes receivable and reserve for loans receivable.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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

**Receivables and Payables**

Receivables and payables to be recorded on the County's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Using this criteria, the County has elected to not record child support arrearages within the Special Revenue and Agency fund types and Court receivables within the Agency fund type. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

**Fixed Assets and Depreciation:** The fixed asset values initially were determined at December 31, 1995, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated fixed assets are capitalized at estimated fair market value on the date donated. The County has established \$500 as the threshold for which fixed assets are to be reported. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets: General fixed assets (fixed assets used in governmental fund type operation) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the County.

**Compensated Absences:** The County uses the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated leave and employees' wage rates at year end.

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service. Accumulated, unused sick leave is paid up to a maximum of 240 hours, depending on the length of service.

For governmental fund types, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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

**Intergovernmental Revenues:** For governmental fund types, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, shared revenues, and entitlements are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred.

**Reserves of Fund Equity:** The County records reservations for those portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for expenditure. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, unclaimed monies, inventory of supplies, notes receivable, and endowments.

**Long-Term Debt:** Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

**Interfund Transactions:** During the course of normal operations, the County has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. Nonrecurring and non-routine transfers of equity between funds and the transfer of residual balances of discontinued funds or projects to the general fund or capital projects funds are classified as residual equity transfers. Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Total Columns on General Purpose Financial Statements:** Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that a component unit is included, two total columns are presented. The first is captioned "Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component unit (see Note 1). The "Totals" column on statements which do not include a component unit have no additional caption.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

**NOTE 3 - CONVERSION OF OPERATIONS FROM BUDGET BASIS TO GAAP BASIS**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and the Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual - Nonexpendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Advances in and out are treated as other financing sources/uses (budget basis) rather than as interfund liabilities (GAAP basis).
5. Principal payments on notes are treated as expenditures (budget basis) rather than as reductions of liabilities (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

Excess (Deficiency) of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue
GAAP Basis	\$(77,276)	\$795,006
Increases (Decreases) Due To:		
Revenue Accruals	(32,194)	(300,073)
Expenditure Accruals	(50,811)	(72,064)
Advances - In	126,300	409,310
Advances - Out	(42,096)	(493,514)
Encumbrances	(53,778)	(186,850)
Budget Basis	\$(129,855)	\$151,815

There were no adjustments required for the Capital Project Funds, Debt Service Funds and the Nonexpendable Trust Fund as the budget basis and the GAAP basis net income/excess of revenues over (under) expenses were the same.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**Legal Compliance:**

The following funds had expenditures plus encumbrances in excess of appropriations at December 31, 1999:

<u>General Fund</u>	
Health	\$63,221
Conservation and Recreation	7,700
Other	43,580

The following funds have a fund balance deficit as of December 31, 1999:

Dog and Kennel Fund	\$236
Crime Prevention Fund	3
Cops Universal Fund	1,219
Safe Schools Fund	2,979
Community Housing Improvement Program (Chip X) Fund	39,237
Law Enforcement Block Grant Fund	32
Recycle Fund	4,244
Recorder Fund	211
Hope School Project Fund	10,775
Community Housing Improvement Program (Chip IX) Fund	127
MRDD Early Intervention Fund	172
Community Corrections Grant Fund	3,307

These deficits were the result of the application of generally accepted accounting principles to the financial reporting to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

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

1. United States treasury notes, bills, bonds, or other obligations of or security issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized agencies.

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

**Deposits:** At year end, the carrying amount of the County's deposits was \$2,667,022 and the bank balance was \$3,124,631. Of the bank balance:

1. \$553,072 was covered by federal depository insurance; and
2. \$2,571,559 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County held to a successful claim by the FDIC.

**Investments:** The County's investments are required to be categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

During 1999, the County did not have any investments.

The classification of cash and cash equivalents on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for 1997. Real property taxes are payable annually or semiannually. The first payment is due February 15, with the remainder payable by July 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due October 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 October 20.

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 6 - PROPERTY TAXES (Continued)**

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 1999, was \$12.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$85,850,550
Public Utility Personal Property	24,496,850
Tangible Personal Property	<u>13,355,125</u>
Total Property Taxes	<u>\$123,702,525</u>

**NOTE 7 - PERMISSIVE SALES AND USE TAX**

The County Commissioners, by resolution and vote of the people, imposed a one percent tax on certain retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies 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.

Proceeds of the tax are credited entirely to the General Fund. Amounts that have been collected by the State and are to be received within the available period are accrued as revenue. Sales and use tax revenue for 1999 amounted to \$615,080.

**NOTE 8 - INTERGOVERNMENTAL RECEIVABLES (DUE FROM OTHER GOVERNMENTS)**

A summary of the principal items of intergovernmental receivables is as follows:

<u>Fund / Type</u>	<u>Amount</u>
Special Revenue Funds	
Gasoline Taxes	\$75,070
Medicare	<u>18,291</u>
Total Special Revenue Funds	<u>93,361</u>
Agency Funds	
License, Gasoline, and Permissive Taxes	121,400
Local Government and Local Government Revenue Assistance	<u>65,582</u>
Total Agency Funds	<u>186,982</u>
<b>Total All Funds</b>	<b><u>\$280,343</u></b>



**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 9 - FIXED ASSETS**

A summary of the changes in general fixed assets during 1999 is as follows:

<u>Asset Category</u>	Balance for the Year Ended 12/31/98	<u>Additions</u>	<u>Deletions</u>	Balance for the Year Ended 12/31/99
Land	\$ 77,364	\$ ---	\$ ---	\$ 77,364
Buildings	1,103,832	40,000	---	1,143,832
Machinery and Equipment	<u>2,865,825</u>	<u>188,766</u>	<u>149,601</u>	<u>2,904,990</u>
Totals	<u>\$ 4,047,021</u>	<u>\$228,766</u>	<u>\$149,601</u>	<u>\$4,126,186</u>

**NOTE 10 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 1997, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see Note 17) for liability, auto, and crime insurance. This joint venture is a cost-sharing pool. The program has a \$0 to \$2,500 deductible per occurrence.

Coverages provided by the program are as follows:

General Liability	\$2,000,000
Public Officials Including Law Enforcement	2,000,000
Inland Marine	10 Percent of Loss
Automobile	1,000,000
Faithful Performance and Employee Bond	250,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$1,400,000, other property insurance including \$5,000 for extra expenses and \$100,000 for valuable papers and records insurance.

Health insurance was provided by a private carrier, Anthem Blue Cross/Blue Shield for the year.

The County's Food Stamps are insured through Lloyd's of London, with the following coverage against fire and theft; \$500,000 for food stamps kept in the County's Vault, and \$25,000 for food stamps kept outside the vault. This policy carries a \$2,500 deductible.

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

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

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 11- DEFINED BENEFIT RETIREMENT PLAN**

**Public Employees Retirement System:** All Vinton County full-time employees participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan created by the State of Ohio. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS(7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate was 8.5% of covered payroll for employees other than law enforcement. Law enforcement employees contributed 9.0% of covered salary. The 1999 employer contribution rate for local government employers was 13.55% of covered payroll. The law enforcement employer rate was 16.70% of covered payroll.

Vinton County's contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$527,266, \$479,344, and \$545,321, respectively. These contributions were equal to the required contributions for each of the years.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**Public Employees Retirement System:** The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement service is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for local government employers was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999. The law enforcement employer rate for 1999 was 16.70% and 4.2% was used to fund health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

OPEB is financed through employer contributions and investments earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 13 - DEFERRED COMPENSATION**

Vinton County employees and elected officials may participate in either the Ohio Public Employees Deferred Compensation program or the County Commissioners' Association of Ohio deferred Compensation Program, both created in accordance with Internal Revenue Service Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death or in the case of an unforeseeable emergency.

Under the Ohio Public Employees Deferred Compensation Program and the County Commissioners' Association of Ohio Deferred Compensation program, all plan assets are now being held in a trust arrangement for the exclusive benefit of participants and their beneficiaries, as required by the Small Business Job protection Act of 1996. Under this Act, all existing deferred compensation plans were required to implement such a trust arrangement by January 1, 1999. As a result the assets of these plans are no longer reflected in the combined financial statements of the County.

**NOTE 14 - FOOD STAMPS**

The County's Department of Human Services distributes, through a contracting issuance center, federal food stamps to entitled recipients within the County. The receipt and issuance of the stamps have the characteristics of a federal grant, however, the Department of Human Services acts in an intermediary capacity, therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to the value of these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution \$528,704 of federal food stamps at December 31, 1999.

**NOTE 15 - LONG-TERM DEBT**

The County's long-term obligations at year end consisted of the following:

Outstanding <u>Types / Issues</u>	<u>at 12/31/98</u>	<u>Increases</u>	<u>Decreases</u>	<u>at 12/31/99</u>
1994 - 7.0% County Health Department Building General Obligation Bonds	\$ 98,690	\$ 0	\$ 5,492	\$ 93,198
Compensated Absences	<u>272,480</u>	<u>0</u>	<u>45,214</u>	<u>227,266</u>
Total General Long-Term Obligations	<u>\$ 371,170</u>	<u>\$ 0</u>	<u>\$50,706</u>	<u>\$320,464</u>

The County's General Obligation Bonds were two separate issues in 1994 for the Vinton County Health Building in the amount of \$210,000 and for the Vinton County Human Services Building in the amount of \$925,000. The Human Services Building was never constructed and only engineering and related costs were paid for out of the bond issue. The debt service on both of these issues is payable from the Debt Service Funds. The compensated absences liability will be paid from the fund from which the employees are paid. Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the County to determine these amounts separately.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 15 - LONG-TERM DEBT (Continued)**

The following is a summary of the County's future principal and interest requirements for general long-term debt obligations, including \$43,653 of interest :

	Health Department General <u>Obligation Bonds</u>
2000	\$12,400
2001	12,400
2002	12,400
2003	12,400
2004	12,400
2005-2009	62,000
2010-Thereafter	<u>12,851</u>
Totals	<u>\$136,851</u>

**NOTE 16 - INTERFUND TRANSACTIONS**

Interfund balances at December 31, 1999, consist of the following individual fund receivables and payables:

<u>Fund Type/Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$27,999	\$ 0
Special Revenue Funds		
House Arrest	167	0
Motor Vehicle and Gas Tax Fund	2,070	0
Indigent Guardianship Fund	50	0
Common Pleas Court Research Fund	433	0
Juvenile Court	729	0
Recorder's Equipment Fund	1,016	0
County Court Research and Computer Fund	2,242	0
Probate Court Cost of Business Fund	231	0
Indigent Driver Alcohol	301	0
Clerk of Courts Certificate of Title Administration Fund	4,719	0
Recycle	0	2,796
Safe Schools	0	2,337
Cops Universal	0	971
Marriage License Special Fund	<u>281</u>	<u>0</u>
Total Special Revenue Funds	12,239	6,104

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

**NOTE 16 - INTERFUND TRANSACTIONS (Continued)**

<u>Fund Type/Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Agency Funds		
Law Library Fund	2,990	0
County Court Agency Fund	0	16,216
Prosecutor's Agency Fund	0	4,972
Clerk of Courts Agency Fund	0	7,203
Probate Court Agency Fund	0	3,760
Recorder's Agency Fund	<u>0</u>	<u>4,973</u>
Total Agency Funds	<u>2,990</u>	<u>37,124</u>
<b>Total All Funds</b>	<b><u>\$43,228</u></b>	<b><u>\$43,228</u></b>

Advances receivable and payable at December 31, 1999 consisted of the following:

<u>Fund Type/Fund</u>	<u>Advances Due From Other Funds</u>	<u>Advances Due To Other Funds</u>
General Fund	\$46,775	\$ 0
Special Revenue Funds		
Formula '99 (FY 98) Fund	0	3,000
Chip X Fund	0	38,276
Community Corrections Act Program Fund	5,982	0
Economic Development Fund	37,826	0
Water & Septic Loan Fund	3,450	0
Hope School Project Fund	0	10,775
ODNR Fairground Fund	0	36,000
Community Corrections Grant Fund	<u>0</u>	<u>5,982</u>
Total Special Revenue Funds	<u>47,258</u>	<u>94,033</u>
Total All Funds	<b><u>\$94,033</u></b>	<b><u>\$94,033</u></b>

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

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

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

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District (Continued)**

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

**South Central Regional Juvenile Detention Center**

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 1999, Vinton County contributed \$15,286 to the Center.

**Buckeye Joint-County Self Insurance Council**

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

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

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

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 1999, Vinton County paid \$66,585 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

**VINTON COUNTY**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

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

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

**NOTE 18 - COMPONENT UNIT**

**Vinton Industries, Inc. (Corporation)**

Vinton Industries, Inc., a discretely presented component unit of Vinton County, prepared their financial statements on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Corporation maintains only checking accounts. The Corporation has no investments or non-cash holdings other than certificates of deposit. At December 31, 1999, the carrying amount of the Corporation's deposits was \$38,913 and the bank balance was \$40,568. The entire bank balance was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investment of funds by the Corporation. Property, plant and equipment have been recorded at cost and depreciation is computed on the straight line method over the estimated useful lives of the assets.

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

**NOTE 19 - CONTINGENT LIABILITIES**

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

The County had several pending litigation cases at December 31, 1999. Management believes that the financial impact of these cases, if any, would not be material to the financial statements of the County.

**NOTE 20 - OPERATING TRANSFERS**

On the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types, operating transfers in and out do not agree due to transfers to agency funds in the amount of \$47,539.

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**VINTON COUNTY**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>Agency/Program/Grant</u>	Federal CFDA Number	Grant Number	<u>Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
<i>Passed Through the Ohio Department of Development:</i>			
Community Development Block Grant- State's Program	14.228	B-P-97-075-1	\$32,952
		B-M-98-075-1	50,000
		B-C-98-075-1	392,824
		B-C-97-075-1	101,850
		B-F-98-075-1	21,740
		B-F-97-075-1	6,933
Total Community Development Block Grant			<u>606,299</u>
Total U.S. Department of Housing and Urban Development			606,299
<b><u>U.S. Department of Justice:</u></b>			
<i>Passed Through the Governor's Office of Criminal Justice Services:</i>			
Juvenile Justice and Delinquency Prevention Grant	16.540	99-JJ-IN4-0619	6,650
Gang-Free Schools and Communities	16.544	97-JJ-CPI-0630	68,973
National Criminal History Improvement Program (NCHIP)	16.554	95-RU-NCH-9041	21,848
Local Law Enforcement Block Grant Program	16.592	97-LE-LEB-3013	7,729
Bryne Formula Grant	16.579	98-DG-BO1-7175	32,493
Public Safety Partnership and Community Policing Grant	16.710	96-UM-WXO-953	76,705
Total U.S. Department of Justice			214,398
<b><u>U.S. Department of Education:</u></b>			
<i>Passed Through the Ohio Department of Health</i>			
Special Education Grant for Infants and Families - Early Intervention	84.181	82-1-02-FAN-392	74,371
Total U.S. Department of Education			74,371
<b><u>U.S. Department of Health and Human Services:</u></b>			
<i>Passed Through the Ohio Department of Human Services</i>			
Temporary Assistance for Needy Families - Early Start Allocation	93.558		109,278
Medical Assistance Program - CAFS	93.778		24,165
Medical Assistance Program - Targeted Case Management	93.778		9,430
Medical Assistance Program - Waiver Administration	93.778		15,649
Total Medical Assistance Program			<u>49,244</u>
Total Passed Through the Ohio Department of Human Services			158,522
<i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant - Title XX	93.667	MR-82	25,748
Total Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities			<u>25,748</u>
Total U.S. Department of Health and Human Services			<u>184,270</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$1,079,338</u></b>

**VINTON COUNTY**  
**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

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**Note 1 - Basis of Accounting**

The County prepares its Schedule of Federal Awards Expenditures on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**Note 2 - Community Development Block Grant (CDBG) Loan Programs**

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

There loans are collateralized by mortgages of property and equipment and by guarantees. At December 31, 1999, the gross amounts of loans outstanding under this program was \$1,219,955. Delinquent amounts due are \$77,788. Amounts in default were \$103,524.

**Note 3 - Matching Requirements**

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



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701

Telephone 740-594-3300  
800-441-1389

Facsimile 740-594-2110

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Vinton County  
100 Main Street  
McArthur, Ohio 45651

To the Board of County Commissioners:

We have audited the general purpose financial statements of Vinton County, Ohio, (the County) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 26, 2000. We did not audit the financial statements of Vinton Industries, Inc. the County's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts discretely presented for Vinton Industries, Inc., is based upon the report of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the County in a separate letter dated July 26, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weaknesses a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 26, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

July 26, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Vinton County  
100 Main Street  
McArthur, Ohio 45651

To the Board of County Commissioners

**Compliance**

We have audited the compliance of Vinton County, Ohio, (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. Vinton County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the 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, 1999.

**Internal Control Over Compliance**

The management of Vinton 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Financial Condition  
Vinton County  
Report of Independent Accountants on Compliance With Requirements Applicable  
to Each Major Federal Program and Internal Control over Compliance in Accordance  
with OMB Circular A-133  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 26, 2000

**VINTON COUNTY  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 1999**

**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 financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions 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 (list):	Community Development Block Grant, CFDA # 14.228
(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**

The audit of Vinton County, for the year ended December 31, 1999, contained no findings required to be reported in accordance with GAGAS.

**3. FINDINGS FOR FEDERAL AWARDS**

The audit of the Vinton County, for the year ended December 31, 1999, contained no findings for federal awards.

**VINTON COUNTY**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**OMB CIRCULAR A-133 § .315(b)**  
**DECEMBER 31, 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
1998-60782-001	Year 2000 Compliance	Yes	The County had updated it system prior to the new year and had no problems with the computers in the County on January 1, 2000.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**VINTON COUNTY FINANCIAL CONDITION**

**VINTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 14, 2000**