FINANCIAL CONDITION
VAN WERT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2008

Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION
VAN WERT COUNTY

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VAN WERT COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit, Thomas Edison Center, which represents fifty-one percent of assets, fifty-seven percent of net assets and fifty-one percent of revenues for the aggregate discretely presented component units. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Thomas Edison Center on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. The other auditors audited the financial statements of Thomas Edison Center, a discretely presented component unit in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.* 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 overall financial statement presentation. We believe our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, Community Development Block Grant, Thomas Edison and Brumback Library Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal awards expenditures is 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 basic financial statements. We subjected this schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 20, 2009

FINANCIAL CONDITION
VAN WERT COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)

Management's Discussion And Analysis

Van Wert County's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2008.

Financial Highlights

- The County's total net assets decreased $182,167 during 2008. Net assets of governmental activities decreased $289,905 (1 percent). Net assets of the business-type activities increased by $107,738 (12 percent).

- The General Fund transfers out equaled $303,950. Out of total transfers out, $128,805 in transfers was for debt service obligations, and $86,337 to the Department of Job and Family Services (DFJS) and $88,808 to the Child Support Enforcement Agency (CSEA) was for human services operations.

- The County Home ceased operations July 15, 2006. However, the County still collected personal tax replacement revenues in 2008.

- Business-type operations reflected operating income, since charges for services exceeded expenses, while business-type unrestricted net assets are $270,858.

- Capital assets used in governmental activities increased $452,688. The County purchased some vehicles for County use and also resurfaced some road and replaced bridges.

- During 2008, the County paid off its Towne Center Capital Facilities note from bond proceeds. The new Capital Facilities general obligation bonds were issued for $4,265,000. Also during 2008, the County issued bond anticipation notes in the amount $348,498 to fund the purchase of general fund equipment, a dog warden truck and sewer construction.

Overview Of The Financial Statements

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand Van Wert County's financial situation as a whole and also give a detailed view of the County's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

Government-Wide Financial Statements

Statement of Net Assets and the Statement of Activities

The analysis of the County as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if Van Wert County is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes to those net assets. This change informs the reader whether the County's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the County's financial well being. Some of these factors include the County's tax base, and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two kinds of activities.

Governmental Activities – Most of the County's services are reported here including general government, public safety, public works, health, human services, economic development and assistance, and intergovernmental.

Business-Type Activities – These services include recycling. Service fees for this operation are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

The analysis of the County's major funds begins on page 8. Fund financial statements provide detailed information about the County's major funds – not the County as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the County Auditor, with the approval of the County Commissioners, to help control, manage and report money received for a particular purpose or to show that the County is meeting legal responsibilities for use of grants. Van Wert County's major funds are General, Motor Vehicle and Gas Tax, Community Development Block Grant (CDBG), Thomas Edison, Brumback Library, Towne Center Capital Improvement and Recycling. The County chose to present the Brumback Library as a major fund due to the unique nature of the fund.

Governmental Funds – Most of the County's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund – When the County charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Government-Wide Financial Analysis

As stated previously, the Statement of Net Assets looks at the County as a whole. The following table provides a summary of the County's net assets for 2008 compared to 2007.

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	$16,595,658	$17,023,102	$ 311,282	$315,479	$16,906,940	$17,338,581
Capital Assets	25,239,878	24,787,190	783,490	673,535	26,023,368	25,460,725
Total Assets	41,835,536	41,810,292	1,094,772	989,014	42,930,308	42,799,306
Liabilities						
Current and Other Liabilities	4,030,346	7,925,346	27,808	23,060	4,058,154	7,948,406
Long-Term Liabilities:						
Due Within One Year	834,854	713,684	8,451	8,776	843,305	722,460
Due in More Than One Year	6,767,673	2,678,694	79,165	85,568	6,846,838	2,764,262
Total Liabilities	11,632,873	11,317,724	115,424	117,404	11,748,297	11,435,128
Net Assets						
Invested in Capital Assets, Net of Related Debt	23,285,412	22,639,799	708,490	593,535	23,993,902	23,233,334
Restricted	10,440,382	10,260,001			10,440,382	10,260,001
Unrestricted	(3,523,131)	(2,407,232)	270,858	278,075	(3,252,273)	(2,129,157)
Total Net Assets	$30,202,663	$30,492,568	$979,348	$871,610	$31,182,011	$31,364,178

Total assets of governmental activities increased $25,244. Current and other assets decreased $427,444. A large part of this decrease was the result of a decrease in cash and cash equivalents in the Motor Vehicle and Gas Tax Fund.

Current liabilities of governmental activities were refinanced into long-term liabilities during 2008 with the issuance of general obligation bonds to pay off the capital facilities notes for the Towne Center project.

The County's total net assets decreased $182,167 during 2008. Net assets of governmental activities decreased 1 percent or $289,905.

Net assets of the County's business-type activities increased by $107,738 during 2008, and also reported an operating income during 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)
(Continued)

The following table shows the changes in net assets for 2008 compared with 2007:

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services	$3,426,296	$3,071,579	$645,899	$556,166	$4,072,195	$3,627,745
Operating Grants, Contributions and Interest	10,137,702	11,423,713			10,137,702	1,423,713
Capital Grants and Contributions	405,000				405,000	
Total Program Revenues	13,968,998	14,495,292	645,899	556,166	14,614,897	15,051,458
General Revenues:						
Property and Other Taxes	2,614,092	3,075,159			2,614,092	3,075,159
Permissive Sales Tax	3,542,444	3,726,211			3,542,444	3,726,211
Grants and Entitlements	1,469,512	1,107,041			1,469,512	1,107,041
Other	843,586	817,373			843,586	817,373
Total General Revenues	8,469,634	8,725,784			8,469,634	8,725,784
Total Revenues	22,438,632	23,221,076	645,899	556,166	23,084,531	23,777,242
Program Expenses:						
General Government:						
Legislative and Executive	5,132,163	4,950,066			5,132,163	4,950,066
Judicial	1,331,519	1,457,366			1,331,519	1,457,366
Public Safety	3,199,731	3,171,086			3,199,731	3,171,086
Public Works	4,552,089	3,364,977			4,552,089	3,364,977
Health	90,180	91,802			90,180	91,802
Human Services	6,929,593	7,390,517			6,929,593	7,390,517
Conservation and Recreation	25,438	16,633			25,438	16,633
Economic Development and Assistance	673,648	1,279,171			673,648	1,279,171
Intergovernmental	285,151	266,906			285,151	266,906
Debt Service Costs	509,025	301,011			509,025	301,011
Recycling			538,161	581,457	538,161	581,457
Total Expenses	22,728,537	22,289,535	538,161	581,457	23,266,698	22,870,992
Increase (Decrease) in Net Assets	($ 289,905)	$ 931,541	$107,738	($ 5,291)	($ 182,167)	$ 906,250

Governmental Activities

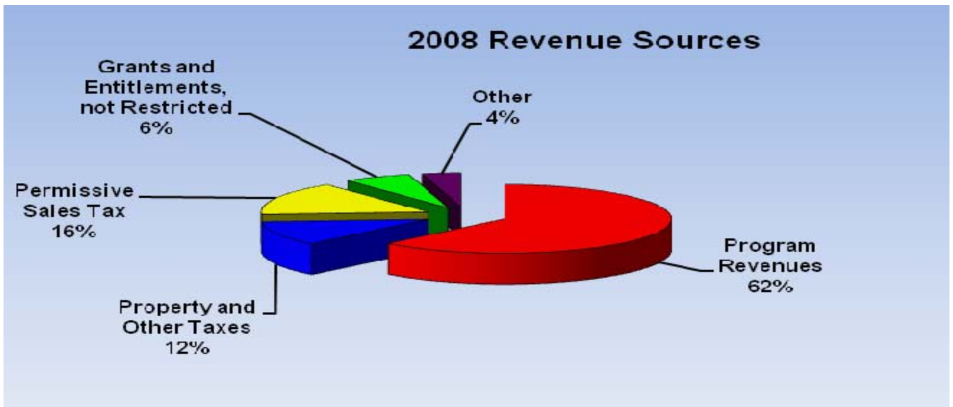
Program revenues make up 62 percent of total governmental revenues for 2008. The major recipients of intergovernmental program revenues were the Motor Vehicle and Gas Tax, Department of Job and Family Services, Thomas Edison, and Brumback Library Funds, as well as the Children's Services and Child Support Enforcement Agency (CSEA) Special Revenue Funds. During 2008, the County received Issue II monies for a road resurface project that is shown as capital grants and contributions.

Property tax revenue decreased due to the reduction in personal property tax. The replacement revenue the County receives from the State in lieu of the personal property tax is shown with grants and entitlements not restricted.

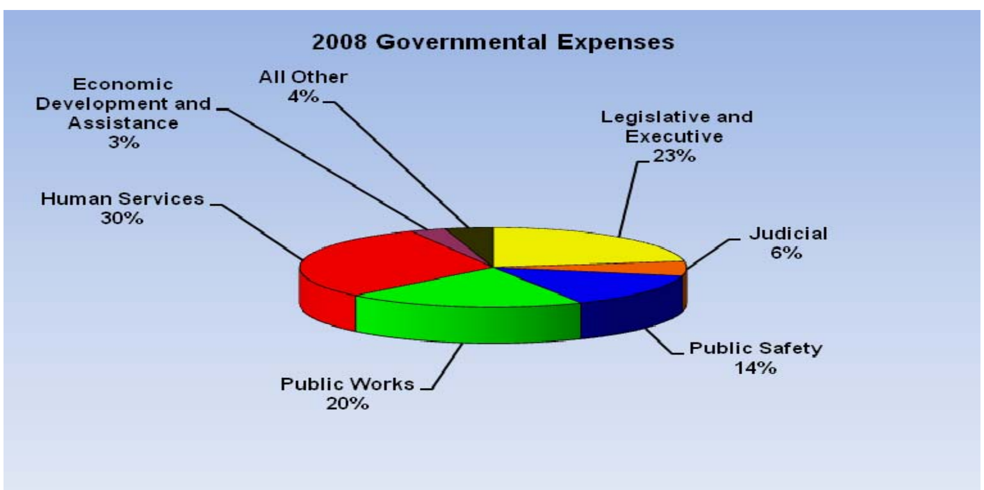
The County's direct charges to users of governmental services made up around 15 percent of total governmental revenues for 2008. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Permissive sales tax is the second largest source of revenue for the County. The County received $3,542,444 in 2008 or about 16 percent of total governmental revenues. Permissive sales tax revenue fell during 2008 as the economy took a downturn in late 2008.

The County Commissioners rely on general revenues, especially taxes, to close the gap between program revenues and expenses to furnish the quality of life to businesses and citizens to which they and previous County Commissioners have always been committed.



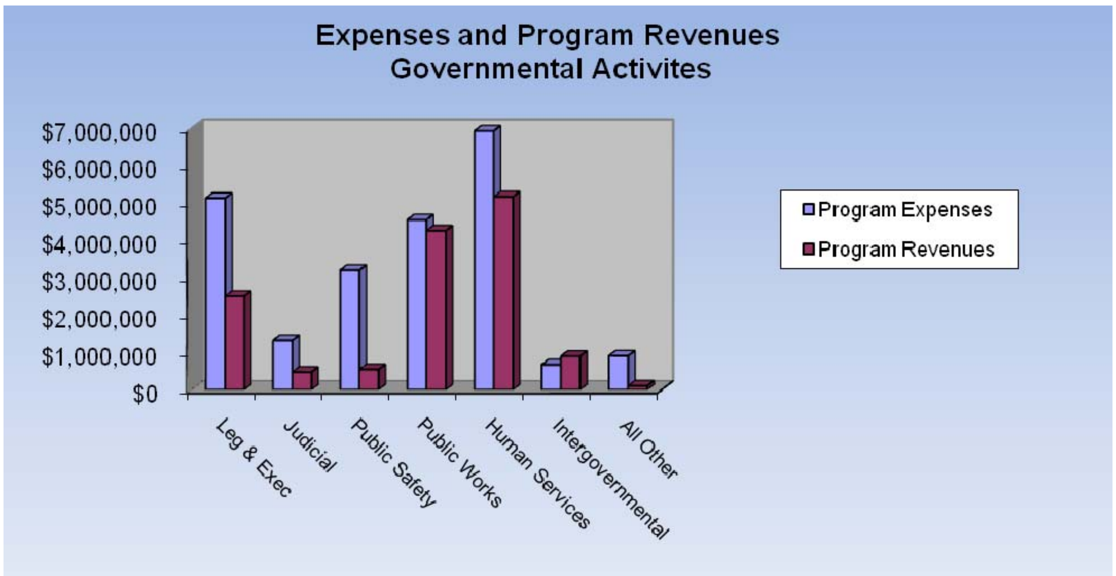
Public works expenses increased during 2008. The County is working on sewer construction projects for Rt. 127, Rt. 118, and Richey which are included as public works expenses. The assets built under this construction will belong to the City of Van Wert. In addition, the County is working on a sewer construction project for Overholt addition. Expenses also increased for general government – legislative and executive. Expenses for Economic Development and Assistance decreased during 2008 as a result of a $650,900 decrease in Community Development Block Grant (CDBG) expenses. Debt service costs increased during 2008 as the County issued new general obligation bonds to pay off the Towne Center Capital Facilities notes.



The legislative and executive expenses of the County rely heavily on general revenues to support the program. $2.6 million of legislative and executive expenses (51 percent) were covered by general revenues.

For public safety, the net cost of services of $2.7 million indicates the general purposes property tax levy and the permissive sales tax, support the operation of the Sheriff's Department and the Jail. To help reduce the tax burden and increase program revenues, the County has contracts for the housing of prisoners from other entities outside the County.

The $1.8 million in net cost of services for human services demonstrates the cost of services that are not supported from State and federal sources. As such, the taxpayers have approved property tax levies for the Thomas Edison Fund.



Business-Type Activities

The net assets for the business-type activities increased by $107,738 during 2008. Charges for services for recycling is the largest revenue source for business-type activities revenues. These charges for services covered the cost of operations for the recycling center for 2008, generating an operating income of $111,051. The Recycling Center experienced an operating loss of $21,132 during 2007, which was down from 2006's operating loss of $93,024.

The County strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

Information about the County's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of $22 million and expenditures of $23 million. The General fund balance decreased by $238,443. Within the General Fund, expenditures exceeded revenues by $55,705. Transfers to other funds such as the Debt Service funds and other Special Revenue funds totaled $303,950. The funds transferred were used for debt and support of human services programs.

Unreserved, undesignated General fund balance equals $293,816, which is available for spending at the County's discretion. The remaining $38,643 fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year or a variety of other restricted purposes. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or federal government.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 3.8 percent of total General Fund expenditures. This is down from 6.7 percent in 2007.

The Motor Vehicle and Gas Tax fund balance decreased $681,781. Fund balance at December 31, 2008, was $1,708,452 of which $2,600 is encumbrances. The CDBG fund balance decreased $46,385. Fund balance at December 31, 2008, was $43,919. The Thomas Edison fund balance increased $84,433. Fund balance at December 31, 2008, was $1,610,039. The Brumback Library fund balance decreased $8,115, while fund balance at year-end was $487,853. Finally, the Towne Center Capital Improvement Fund has a $0 fund balance, down from ($4,156,611) in 2007. The County originally issued $5,000,000 for this project in notes during 2004. The note was renewed for $4,150,000 in 2007. This note was refinanced to general obligation bonds during 2008 which eliminated the deficit fund balance.

Enterprise Fund

The enterprise fund reflects an operating income for 2008. Charges for services for Recycling services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. The County Commissioners has set fees with the intention of funding operating costs and debt service.

Similarly, the statement of cash flows has a net cash increase of $11,624. This occurred as result of charges for services revenue covering expenses for 2008.

Major Funds Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The County's budget is adopted on a line item basis. Before the budget is adopted the County Commissioners review detailed budget worksheets of each function within the General Fund and then adopts the budget at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

During 2008, there were numerous revisions to the General Fund budget. The net effect of the revisions was a decrease in the appropriations of $83,413. This decrease from original appropriations resulted from a decrease in anticipated transfers and public safety expenditures. Original General Fund budgeted revenues were also adjusted slightly, a 1 percent decrease. Actual receipts were $80,028 (1 percent) less than what were originally estimated.

Appropriations for the Motor Vehicle and Gas Tax fund were increased $906,480. Appropriations were increased for transfers to the Issue II fund for other expenses.

CDBG anticipated receipts increased $54,500 as monies from the State increased. Similarly, appropriations were increased as project expenditures were made.

Likewise, Thomas Edison anticipated receipts decreased due to a decrease of revenues from the State and other governments. Appropriations decreased due to a decrease in Residential/individual Option Waiver contractual services.

Only slight adjustments were made to original appropriations for the Brumback Library fund. By monitoring expenditures, the Library's actual expenditures were $108,033 less than appropriated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$248,700	$248,700			$248,700	$248,700
Land Improvements	20,399	20,399			20,399	20,399
Buildings	12,385,673	12,681,966	$294,883	$303,643	12,680,556	12,985,609
Machinery and Equipment	357,149	410,725	210,450	247,690	567,599	658,415
Furniture and Fixtures	41,220	51,492			41,220	51,492
Vehicles	2,027,516	2,117,946	278,157	122,202	2,305,673	2,240,148
Infrastructure	10,159,221	9,255,962			10,159,221	9,255,962
	$25,239,878	$24,787,190	$783,490	$673,535	$26,023,368	$25,460,725

Increases to governmental capital assets included a police cruiser, a truck for the dog warden, a 2006 Ford 500, a Case backhoe, a tandem truck body, resurfacing some roads and replacing some bridges. See Note 8 of the notes to the basic financial statements for more detailed capital asset information.

Long-Term Debt

At December 31, 2008, Van Wert County had $6,921,547 in long-term debt outstanding.

Outstanding Long-Term Debt at Year End

	Governmental Activities		Business-Type Activities	
	2008	**2007**	**2008**	**2007**
Special Assessment Notes		$62,026		
General Obligation Notes	$1,923,987	2,089,847	$75,000	$80,000
OWDA Loan	485,111	274,615		
General Obligation Bonds	4,265,000			
Capital Leases	172,449	228,050		
	$6,846,547	$2,654,538	$75,000	$80,000

All general obligation note issues will be paid through the General Fund, Motor Vehicle and Gas Tax Fund, and debt service funds with property tax revenues, airport monies, and transfers from various funds. The Recycling Fund's note is paid from operating revenues of the recycling enterprise operation.

The general obligation bonds will be paid from tax increment financing revenues.

Obligations under capital lease will be paid from the Thomas Edison Special Revenue Fund.

The County's overall legal debt margin was $7,987,910 as of December 31, 2008. The more restrictive un-voted legal debt margin was $2,411,165 as of the same date. See Note 15 of the notes to the basic financial statements for more detailed information.

CONTACTING THE COUNTY AUDITOR'S OFFICE

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Nancy Dixon, County Auditor, Van Wert County, 121 East Main Street, Van Wert, Ohio 45891.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF NET ASSETS
DECEMBER 31,2008

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Equity in Pooled Cash and Cash Equivalents	$6,611,109	$70,826	$6,681,935
Cash and Cash Equivalents in Segregated Accounts	49,048		49,048
Cash and Cash Equivalents with Fiscal Agents	107,807		107,807
Short-term Investments in Segregated Accounts			
Accrued Interest Receivable	37,083		37,083
Accounts Receivable (Net, where applicable, of Uncollectible Accounts)	144,399	228,176	372,575
Other Current Assets (Reimbursements Receivable)			
Permissive Sales Tax Receivable	509,170		509,170
Due from Other Governments	5,018,092		5,018,092
Internal Balances	1,665	(1,665)	
Prepaid Items	57,732	816	58,548
Supplies Inventory	328,174	13,129	341,303
Property Taxes Receivable	2,592,249		2,592,249
Permissive Motor Vehicle License Tax Receivable	7,317		7,317
Tax Increment Financing Receivable	360,515		360,515
Loans Receivable	302,212		302,212
Special Assessments Receivable	211,710		211,710
Investments in Segregated Accounts	257,376		257,376
Depreciable Capital Assets, Net	24,970,779	783,490	25,754,269
Nondepreciable Capital Assets, Net	269,099		269,099
Total Assets	41,835,536	1,094,772	42,930,308
Liabilities			
Accounts Payable	326,273	5,498	331,771
Accrued Salaries Payable	267,050	8,357	275,407
Contracts Payable	12,460		12,460
Due to Other Governments	479,270	13,584	492,854
Notes Payable	348,498		348,498
Accrued Interest Payable	41,640	369	42,009
Compensatory Time Payable	55,955		55,955
Deferred Revenue	2,499,200		2,499,200
Long-Term Liabilities:			
Due Within One Year	834,854	8,451	843,305
Due in More Than One Year	6,767,673	79,165	6,846,838
Total Liabilities	11,632,873	115,424	11,748,297
Net Assets			
Invested in Capital Assets, Net of Related Debt	23,285,412	708,490	23,993,902
Restricted for:			
Other Purposes	10,147,372		10,147,372
Capital Projects	293,010		293,010
Unrestricted (Deficit)	(3,523,131)	270,858	(3,252,273)
Total Net Assets	$30,202,663	$979,348	$31,182,011

See accompanying notes to the basic financial statements.

Component Units		
Thomas Edison Center	Van Wert County Port Authority	Van Wert County Airport Authority
	$23,865	
$46,475		$344,656
20,000		
4,654		
52,425		21,762
19,107		
4,220		
4,833		15,953
1,256,298		
793,216	27,438	1,384,092
	56,352	214,100
2,201,228	107,655	1,980,563
14,056	360	26,123
2,329		655
		324,600
715		4,142
		1,413
		2,597
9,018		9,510
65,237		150,635
91,355	360	519,675
718,961	83,790	1,438,047
1,390,912	23,505	22,841
$2,109,873	$107,295	$1,460,888

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

		Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	$5,132,163	$1,617,782	$889,008	
Judicial	1,331,519	408,200	69,258	
Public Safety	3,199,731	325,546	222,908	
Public Works	4,552,089	496,863	3,360,370	$405,000
Health	90,180	72,011		
Human Services	6,929,593	473,775	4,696,592	
Conservation and Recreation	25,438		24,187	
Economic Development and Assistance	673,648	24,300	875,379	
Intergovernmental	285,151			
Interest and Fiscal Charges	237,498	7,819		
Issuance Costs	192,563			
Discount onf Debt Issued	78,964			
Total Governmental Activities	22,728,537	3,426,296	10,137,702	405,000
Business-Type Activity				
Recycling	538,161	645,899		
Total Primary Government	23,266,698	4,072,195	10,137,702	405,000
Component Units				
Thomas Edison Center	619,180	528,798	56,984	
Van Wert County Port Authority	4,697	3,717		
Van Wert County Airport Authority	242,972	176,520	37,000	343,843
Total Component Units	$866,849	$709,035	$93,984	$343,843

General Revenues
Property and Other Taxes Levied for:
General Purposes
Thomas Edison
Other Purposes
County Permissive Motor Vehicle License Taxes Levied for Public Works
Permissive Sales Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Unrestricted Investment Earnings
Tax Increment Financing
Other
Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	**Business-Type Activity**	**Total**	**Thomas Edison Center**	**Van Wert County Port Authority**	**Van Wert County Airport Authority**
($2,625,373)		($2,625,373)			
(854,061)		(854,061)			
(2,651,277)		(2,651,277)			
(289,856)		(289,856)			
(18,169)		(18,169)			
(1,759,226)		(1,759,226)			
(1,251)		(1,251)			
226,031		226,031			
(285,151)		(285,151)			
(229,679)		(229,679)			
(192,563)		(192,563)			
(78,964)		(78,964)			
(8,759,539)		(8,759,539)			
	$107,738	107,738			
(8,759,539)	107,738	(8,651,801)			
			($33,398)		
				($980)	
					$314,391
			(33,398)	(980)	314,391
864,236		864,236			
1,417,968		1,417,968			
153,004		153,004			
178,884		178,884			
3,542,444		3,542,444			
1,469,512		1,469,512			
357,746		357,746	(352,257)		
372,454		372,454			
113,386		113,386			
8,469,634		8,469,634	(352,257)		
(289,905)	107,738	(182,167)	(385,655)	(980)	314,391
30,492,568	871,610	31,364,178	2,495,528	108,275	1,146,497
$30,202,663	$979,348	$31,182,011	$2,109,873	$107,295	$1,460,888

FINANCIAL CONDITION
VAN WERT COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Motor Vehicle and Gas Tax	Community Development Block Grant
Assets			
Equity in Pooled Cash and Cash Equivalents	$286,448	$1,294,568	$45,144
Cash and Cash Equivalents in Segregated Accounts	20,478		
Cash and Cash Equivalents with Fiscal Agents			
Investments in Segregated Accounts			
Receivables:			
Property Taxes	1,000,789		
Permissive Motor Vehicle License Tax		7,317	
Permissive Sales Tax	509,170		
Accounts (Net, where applicable, of Uncollectible Accounts)	129,525	1,424	
Special Assessments			
Interfund	19,833	45,550	
Accrued Interest	37,083		
Tax Increment Financing Receivable			
Due from Other Governments	642,782	1,708,894	1,031,600
Prepaid Items	8,588	1,497	
Supplies Inventory	7,970	309,939	
Loans Receivable	11,000		
Total Assets	2,673,666	3,369,189	1,076,744
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	60,137	124,419	147
Contracts Payable			
Accrued Salaries Payable	105,457	36,771	243
Due to Other Governments	196,738	62,829	835
Notes Payable	28,075		
Interfund Payable	10,910		
Deferred Revenue	1,939,890	1,436,718	1,031,600
Total Liabilities	2,341,207	1,660,737	1,032,825
Fund Balances			
Reserved for Encumbrances	20,025	2,600	16,834
Reserved for Loans Receivable	6,000		
Reserved for Unclaimed Monies	12,618		
Unreserved:			
Undesignated, Reported in:			
General Fund	293,816		
Special Revenue Funds		1,705,852	27,085
Debt Service Funds			
Capital Projects Funds			
Total Fund Balances (Deficit)	332,459	1,708,452	43,919
Total Liabilities and Fund Balances	$2,673,666	$3,369,189	$1,076,744

See accompanying notes to the basic financial statements.

Thomas Edison	Brumback Library	Towne Center Capital Improvement	Other Governmental Funds	Total Governmental Funds
$1,615,825	$149,136		$3,219,988	$6,611,109
	11,439		17,131	49,048
107,807				107,807
	257,376			257,376
1,440,332	151,128			2,592,249
				7,317
				509,170
2,041	625		10,784	144,399
			211,710	211,710
4,779			23,010	93,172
				37,083
		$360,515		360,515
636,831	485,334		512,651	5,018,092
5,601	35,695		6,351	57,732
			10,265	328,174
			291,212	302,212
3,813,216	1,090,733	360,515	4,303,102	16,687,165
32,219	11,075		98,276	326,273
			70,731	70,731
39,729	14,119		12,460	208,779
72,747	13,925		132,196	479,270
			320,423	348,498
2,572			78,025	91,507
2,055,910	563,761	360,515	567,832	7,956,226
2,203,177	602,880	360,515	1,279,943	9,481,284
8,749			7,711	55,919
			236,858	242,858
			-	12,618
			-	293,816
1,601,290	487,853		2,696,502	6,518,582
			14,288	14,288
			67,800	67,800
1,610,039	487,853		3,023,159	7,205,881
$3,813,216	$1,090,733	$360,515	$4,303,102	$16,687,165

FINANCIAL CONDITION
VAN WERT COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total Governmental Fund Balances		$7,205,881
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets reported in governmental activities are not financial resources and therefore are not reported in the funds.		25,239,878
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	$93,048	
Tax Increment Financing	360,515	
Permissive Sales Tax	254,423	
Intergovernmental	4,448,795	
Charges for Services	7,615	
Fines and Forfeitures	121,250	
Special Assessments	166,313	
Other	5,067	
Total		5,457,026
Some liabilities, including notes payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Interest	(41,640)	
General Obligation Notes	(1,923,987)	
General Obligation Bonds	(4,265,000)	
Capital Leases	(172,449)	
Compensatory Time Payable	(55,955)	
OWDA Loan	(485,111)	
Compensated Absences	(755,980)	
Total		(7,700,122)
Net Assets of Governmental Activities		$30,202,663

See accompanying notes to the basic financial statements.

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FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Motor Vehicle and Gas Tax	Community Development Block Grant
Revenues			
Property Taxes	$868,867		
Permissive Sales Tax	3,567,260		
Permissive Motor Vehicle License Tax		178,884	
Intergovernmental	1,220,167	3,382,937	$191,000
Charges for Services	976,918	160,585	
Licenses and Permits	1,656		
Fines and Forfeitures	132,865	78,351	
Special Assessments			
Interest	356,394	36,530	
Tax Increment Financing			
Other	591,061	258	
Total Revenues	7,715,188	3,837,545	191,000
Expenditures			
Current:			
General Government:			
Legislative and Executive	3,114,186		
Judicial	1,265,038		
Public Safety	2,730,322		
Public Works	34,018	4,001,978	
Health	41,464		
Human Services	267,214		
Conservation and Recreation			
Economic Development and Assistance	33,500		237,385
Capital Outlay			
Intergovernmental	285,151		
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
Issuance Costs			
Total Expenditures	7,770,893	4,001,978	237,385
Excess of Revenues Over (Under) Expenditures	(55,705)	(164,433)	(46,385)
Other Financing Sources (Uses)			
Sale of Fixed Assets	7,792		
Proceeds of OWDA Loan			
General Obligation Bonds Issued			
Discount on Debt Issued			
Transfers In	113,420		
Transfers Out	(303,950)	(517,348)	
Total Other Financing Sources (Uses)	(182,738)	(517,348)	
Net Change in Fund Balances	(238,443)	(681,781)	(46,385)
Fund Balances (Deficit) Beginning of Year	570,902	2,390,233	90,304
Fund Balances End of Year	$332,459	$1,708,452	$43,919

See accompanying notes to the basic financial statements.

Thomas Edison	Brumback Library	Towne Center Capital Improvement	Other Governmental Funds	Total Governmental Funds
$1,417,825	$153,935			$2,440,627
				3,567,260
				178,884
1,676,449	948,102		$4,121,882	11,540,537
144,739	3,962		1,000,723	2,286,927
			77,310	78,966
	9,991		10,612	231,819
			224,523	224,523
	(25,945)	$1,352	7,842	376,173
		285,049		285,049
88	38,624		192,039	822,070
3,239,101	1,128,669	286,401	5,634,931	22,032,835
	1,136,784		635,777	4,886,747
			56,877	1,321,915
			338,694	3,069,016
			118,842	4,154,838
			74,953	116,417
3,012,705			3,490,162	6,770,081
			25,438	25,438
			400,874	671,759
			1,362,559	1,362,559
				285,151
55,601			227,886	283,487
8,502		139,182	68,044	215,728
		192,563		192,563
3,076,808	1,136,784	331,745	6,800,106	23,355,699
162,293	(8,115)	(45,344)	(1,165,175)	(1,322,864)
				7,792
			210,496	210,496
		4,265,000		4,265,000
		(78,964)		(78,964)
		15,919	974,266	1,103,605
(77,860)			(204,447)	(1,103,605)
(77,860)		4,201,955	980,315	4,404,324
84,433	(8,115)	4,156,611	(184,860)	3,081,460
1,525,606	495,968	(4,156,611)	3,208,019	4,124,421
$1,610,039	$487,853	$0	$3,023,159	$7,205,881

FINANCIAL CONDITION
VAN WERT COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

Net Change in Fund Balances - Total Governmental Funds		$3,081,460
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	$1,574,428	
Depreciation	(1,119,561)	
Excess of Capital Outlay Over Depreciation Expense		454,867
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal		(2,179)
Some revenues that will not be collected for several months after the County's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amount this year:		
Property and Other Taxes	(5,418)	
Tax Increment Financing	87,405	
Permissive Sales Tax	(24,816)	
Intergovermental	414,944	
Charges for Services	(6,224)	
Fines and Forfeitures	9,015	
Special Assessments	(64,566)	
Other	(4,631)	
Total		405,709
The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liabililty		
Refunded General Obligation Bonds	(4,265,000)	
OWDA Loan	(210,496)	
Total		(4,475,496)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:		
General Obligation Note Prinicpal Payments	165,860	
Special Assessment Note Principal Payments	62,026	
Capital Lease Principal Payments	55,601	
Total		283,487
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Accrued Interest	(21,770)	
Compensatory Time Payable	2,157	
Compensated Absences	(18,140)	
Total		(37,753)
Change in Net Assets of Governmental Activities		($289,905)

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$880,000	$876,212	$876,212	
Permissive Sales Tax	3,528,000	3,584,285	3,584,285	
Intergovernmental	1,224,958	1,197,191	1,197,191	
Charges for Services	1,041,801	993,110	986,923	($6,187)
Licenses and Permits	2,000	1,731	1,656	(75)
Fines and Forfeitures	157,500	135,369	132,994	(2,375)
Interest	420,500	413,193	412,601	(592)
Other	626,200	593,525	593,452	(73)
Total Revenues	7,880,959	7,794,616	7,785,314	(9,302)
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,130,413	3,143,040	3,117,677	25,363
Judicial	1,322,554	1,296,308	1,280,160	16,148
Public Safety	2,883,852	2,818,613	2,722,159	96,454
Public Works	35,430	35,375	34,616	759
Health	52,729	46,554	46,548	6
Human Services	248,636	266,053	260,231	5,822
Intergovernmental	285,586	285,586	285,151	435
Total Expenditures	7,992,700	7,925,029	7,780,042	144,987
Excess of Revenues Over (Under) Expenditures	(111,741)	(130,413)	5,272	135,685
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	9,000	7,772	7,792	20
Notes Issued		12,796	28,075	15,279
Advances In	45,070	45,070	119,101	74,031
Advances Out			(74,031)	(74,031)
Transfers - In	111,330	113,420	113,420	
Transfers - Out	(314,805)	(299,063)	(299,063)	
Total Other Financing Sources (Uses)	(149,405)	(120,005)	(104,706)	15,299
Net Change in Fund Balance	(261,146)	(250,418)	(99,434)	150,984
Fund Balance Beginning of Year	179,275	179,275	179,275	
Prior Year Encumbrances Appropriated	80,788	80,788	80,788	
Fund Balance End of Year	($1,083)	$9,645	$160,629	$150,984

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL MOTOR VEHICLE AND GAS TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues				
Permissive Motor Vehicle License Tax	$102,000	$102,000	$178,844	$76,844
Intergovernmental	3,460,800	3,407,800	3,393,349	(14,451)
Charges for Services	56,500	56,500	149,888	93,388
Fines and Forfeitures	110,000	110,000	77,340	(32,660)
Interest	25,000	25,000	41,070	16,070
Other			258	258
Total Revenues	3,754,300	3,701,300	3,840,749	139,449
Expenditures				
Current:				
Public Works	4,505,268	4,894,400	3,932,177	962,223
Excess of Revenues Under Expenditures	(750,968)	(1,193,100)	(91,428)	1,101,672
Other Financing Sources				
Transfers Out		(517,348)	(517,348)	
Net Change in Fund Balance	(750,968)	(1,710,448)	(608,776)	1,101,672
Fund Balance at Beginning of Year	1,734,124	1,734,124	1,734,124	
Prior Year Encumbrances Appropriated	84,962	84,962	84,962	
Fund Balance at End of Year	$1,068,118	$108,638	$1,210,310	$1,101,672

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUNE BALANCE - BUDGET (NON GAAP BASIS) AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues				
Intergovernmental	$136,500	$191,000	$191,000	
Expenditures				
Current:				
Economic Development and Assistance	308,727	367,822	364,864	$2,958
Net Change in Fund Balance	(172,227)	(176,822)	(173,864)	2,958
Fund Balance at Beginning of Year	56,026	56,026	56,026	
Prior Year Encumbrances Appropriated	122,427	122,427	122,427	
Fund Balance at End of Year	$6,226	$1,631	$4,589	$2,958

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
THOMAS EDISON FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$1,454,000	$1,442,266	$1,442,266	
Intergovernmental	1,980,745	1,832,006	1,819,160	($12,846)
Charges for Services	100,500	126,500	147,720	21,220
Other	8,000	1,500	1,118	(382)
Total Revenues	3,543,245	3,402,272	3,410,264	7,992
Expenditures				
Current:				
Human Services	3,705,051	3,602,481	3,220,062	382,419
Excess of Revenues Over (Under) Expenditures	(161,806)	(200,209)	190,202	390,411
Other Financing Uses				
Transfers Out	(95,000)	(95,000)	(77,860)	17,140
Net Change in Fund Balance	(256,806)	(295,209)	112,342	407,551
Fund Balance at Beginning of Year	1,234,872	1,234,872	1,234,872	
Prior Year Encumbrances Appropriated	98,041	98,041	98,041	
Fund Balance at End of Year	$1,076,107	$1,037,704	$1,445,255	$407,551

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
BRUMBACK LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues				
Property Taxes	$153,000	$153,000	$155,991	$2,991
Intergovernmental	933,939	933,939	949,571	15,632
Charges for Services	2,000	2,000	3,962	1,962
Fines and Forfeitures	12,000	12,000	9,936	(2,064)
Other	7,100	7,100	16,165	9,065
Total Revenues	1,108,039	1,108,039	1,135,625	27,586
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,273,099	1,272,438	1,164,405	108,033
Net Change in Fund Balance	(165,060)	(164,399)	(28,780)	135,619
Fund Balance at Beginning of Year	158,778	158,778	158,778	
Prior Year Encumbrances Appropriated	6,282	6,282	6,282	
Fund Balance at End of Year	$0	$661	$136,280	$135,619

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF FUND NET ASSETS
ENTERPRISE FUND
DECEMBER 31, 2008

	Recycling
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$70,826
Accounts Receivable	228,176
Prepaid Items	816
Supplies Inventory	13,129
Total Current Assets	312,947
Non-current Assets:	
Depreciable Capital Assets, Net	783,490
Total Assets	1,096,437
Liabilities	
Current Liabilities:	
Accounts Payable	5,498
Accrued Salaries Payable	8,357
Interfund Payable	1,665
Due to Other Governments	13,584
Accrued Interest Payable	369
Compensated Absences Payable	5,951
Note Payable	2,500
Total Current Liabilities	37,924
Long-Term Liabilities:	
Compensated Absences Payable	6,665
Note Payable	72,500
Total Long-Term Liabilities	79,165
Total Liabilities	117,089
Net Assets	
Invested in Capital Assets	708,490
Unrestricted	270,858
Total Net Assets	$979,348

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Recycling
Operating Revenues	
Charges for Services	$645,899
Operating Expenses	
Personal Services	419,409
Contractual Services	14,577
Materials and Supplies	26,392
Depreciation	74,470
Total Operating Expenses	534,848
Operating Income	111,051
Non-Operating Expenses	
Interest and Fiscal Charges	(3,313)
Change in Net Assets	107,738
Net Assets Beginning of Year	871,610
Net Assets End of Year	$979,348

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Recycling
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities	
Cash Received from Customers and Support	$641,534
Cash Payments for Employee Services and Benefits	(415,104)
Cash Payments to Suppliers	(22,044)
Net Received From for Operating Activities	204,386
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(184,425)
Note Principal Payments	(5,000)
Note Interest Payments	(3,337)
Net Cash Used for Capital and Related Financing Activities	(192,762)
Net Increase in Cash and Cash Equivalents	11,624
Cash and Cash Equivalents Beginning of Year	59,202
Cash and Cash Equivalents End of Year	70,826
Reconciliation of Operating Income to Net Cash Received from Operating Activities:	
Operating Income	111,051
Adjustments to Reconcile Operating Income to Net Cash Received From Operating Activities:	
Depreciation	74,470
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(4,365)
Increase in Prepaid Items	(682)
Decrease in Supplies Inventory	22,871
Decrease in Accounts Payable	(1,261)
Increase in Accrued Salaries Payable	3,177
Increase in Due to Other Governments	2,856
Decrease in Interfund Payable	(2,003)
Decrease in Compensated Absences Payable	(1,728)
Net Cash Received From Operating Activities	$204,386

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	$1,645,403
Cash and Cash Equivalents in Segregated Accounts	258,353
Investments	20,000
Receivables:	
Property and Other Taxes	18,548,534
Accounts (Net of Uncollectible Accounts)	155,699
Special Assessments	569,977
Due from Other Governments	2,339,200
Tax Increment Financing Receivable	86,088
Total Assets	23,623,254
Liabilities	
Accounts Payable	14,768
Due to Other Governments	21,823,580
Undistributed Monies	1,784,906
Total Liabilities	$23,623,254

See accompanying notes to the basic financial statements.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Van Wert County, Ohio (The County), was created in 1820 but was not organized until 1837. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a joint Probate/Juvenile Court Judge.

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

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Van Wert County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Lincolnway Home, the Van Wert County Veterans Services, Van Wert County Election Board and all departments and activities that are directly operated by the elected County officials. Van Wert County Brumback Public Library is included as part of the primary government.

1. Van Wert County Brumback Public Library

The Brumback Library was constructed and donated to Van Wert County per the will of the late J. S. Brumback and a contract made between the heirs of the estate and the Van Wert County Commissioners in 1898. The Library was established as a free public library for the benefit of the citizens of Van Wert County, Ohio, at that time. The law was enacted under Section 891a Revised Statute. The Statute provides: "Any County accepting such a bequest, donation or gift shall be bound to faithfully carry out the agreement so made to provide and maintain such a library." It is therefore the legal duty of the Board of County Commissioners to faithfully comply with the terms of the contract and maintain and operate the library as a County Library.

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 that are fiscally dependent on the County in that the County approves the organization’s budget, the levying of its taxes or the issuance of its debt.

2. Blended Component Unit

The Library Enrichment Foundation of the Brumback Library is a component unit that is blended with the primary government. It is blended with the primary government because it is so intertwined with the primary government that it is, in substance, the same as the primary government.

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Library Enrichment Foundation of the Brumback Library The Library Enrichment Foundation of the Brumback Library was formed for the purpose of supporting and promoting charitable, educational, scientific, and literary purposes of the Brumback Library. Membership in the Foundation consists solely of the Trustees of the Brumback Library and the Director of the Brumback Library. The board of the Foundation and the Brumback Library are the same. The Brumback Library is part of the primary government, and the primary government may affect the activities, programs and projects of the Foundation; therefore, it would be misleading to exclude the Library Enrichment Foundation of the Brumback Library from the financial statements of the primary government. The Foundation is considered a component unit and blended with the primary government.

3. Discretely Presented Component Units

The component unit column in the entity-wide financial statements identifies the financial data of the County's discretely presented component units: the Thomas Edison Center, which is a consolidation of the entities of Thomas Edison Center, Van Wert Housing Services, Inc., the Thomas Edison Memorial Endowment, the Van Wert County Port Authority, and the Van Wert County Airport Authority. They are reported separately to emphasize that they are legally separate from the County. Condensed financial information for the component units is presented in Note 17.

Thomas Edison Center The Thomas Edison Center is a legally separate, not-for-profit corporation, served by a board appointed by the Van Wert County Board of MRDD. The workshop, under contractual agreement with the Van Wert County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The Van Wert County Board of MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings, and professional staff to supervise and train clients of the Thomas Edison Center. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Van Wert County, the workshop is reflected as a component unit of Van Wert County. Separately issued financial statements can be obtained from the Thomas Edison Center at P.O. Box 604, Van Wert, Ohio 45891.

Van Wert Housing Services, Inc. The Van Wert Housing Services, Inc. is a legally separate not-for-profit corporation served by a board appointed by the Van Wert County Board of MRDD. The corporation, under contractual agreement with the Van Wert County Board of MRDD, has agreed to acquire, manage and maintain residential properties. The Van Wert County Board of MRDD makes grants available to assist in the purchase of the properties. The Van Wert County Board of MRDD is financially accountable for the Van Wert Housing Services, Inc. The Van Wert County Board of MRDD has maintained a legal interest through a note and a second mortgage on the property purchased by the corporation. In the event of default or violation of the contract terms, the Van Wert County Board of MRDD has the right to assume the mortgage and the right to insist on the transfer of title of the property. Due to control arising from common membership of board of directors, the Van Wert Housing Services, Inc. has been consolidated with the Thomas Edison Center. Separately issued financial statements can be obtained from the Van Wert Housing Services, Inc. at P.O. Box 604, Van Wert, Ohio 45891.

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Thomas Edison Memorial Endowment The Thomas Edison Memorial Endowment was organized in 1975 as a not-for-profit corporation. The Van Wert County Board of MRDD authorized the formation of a foundation that would build funds over the years through donations and bequests.

The foundation was established in order to receive gifts and memorial monies that are intended to provide long range support for the programs of the Thomas Edison Center. The foundation was designed so only the interest of this money would be available for use as determined by a non-profit board of directors. The Van Wert County Board of MRDD called this foundation the Thomas Edison Memorial Endowment. The Board formed a non-profit board of directors to conduct the operations of the Thomas Edison Endowment. The five board members are appointed by the Van Wert County Board of Mental Retardation and Development Disabilities. Due to control arising from common membership of board of directors, the Thomas Edison Memorial Endowment has been consolidated with the Thomas Edison Center. Separately issued financial statements can be obtained from the Thomas Edison Memorial Endowment at P.O. Box 604, Van Wert, Ohio 45891.

Van Wert County Port Authority The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County. The Board of the Port Authority is appointed by the Van Wert County Commissioners. The Van Wert County Commissioners have potential to receive financial benefit from the Port Authority, since the County is entitled to any surplus of the Port Authority. The County is also financially accountable for the Authority. The Van Wert County Auditor is the fiscal agent for the Port Authority. Separately issued financial statements can be obtained from Nancy Dixon, the County Auditor, at 121 E. Main Street, Van Wert, Ohio 45891.

Van Wert County Airport Authority The Van Wert County Airport Authority is a legally separate organization created by resolution of the Van Wert County Commissioners on December 20, 1974. The Board of the Airport Authority is made up of five members, each with a term of five years. The members were originally appointed by the Van Wert County Commissioners; subsequent appointments are made by the Board of Trustees of the Regional Airport Authority, subject to the approval of the Board of Van Wert County Commissioners. The County has issued debt for the Airport Authority in the County's name, making the County financially accountable for the Airport Authority. Separately issued financial statements can be obtained from Clair Dudgeon at 114 E. Main Street, Suite 200, Van Wert, Ohio 45891.

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

- Van Wert County General Health District
- Van Wert County Soil and Water Conservation District
- Van Wert County Community Action Commission
- Van Wert County Park District

The County participates in certain organizations which are defined as joint ventures, jointly governed organizations, related organizations, and insurance pools.

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

The County's joint ventures, the Van Wert County Emergency Management Agency (EMA) and the Van Wert County Regional Planning Commission (the Commission) are presented in Note 18. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The jointly governed organizations of the County, the Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board), the Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC), the Van Wert County Council on Aging, Inc. (the Council), the West Central Partnership, Inc. (the Partnership), the Maumee Valley Resource Conservation and Development Area (the MV-RCD Area), and the Northwest Ohio Waiver Administration Council, presented in Note 19. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments.

The related organizations, the Van Wert County Hospital Commission (Commission) and the Local Emergency Planning Committee (LEPC) are presented in Note 20. A related organization is an organization for which the County appoints a majority of the governing board but for which there is no potential benefit or burden and no authority to impose the will of the County.

The insurance pools, the Mid West Pool Risk Management Agency, Inc. (the Pool), the Midwest Employee Benefit Consortium (MEBC), and the County Commissioners' Association of Ohio Service Corporation (CCAOSC) are presented in Note 21. The Pool and the MEBC are risk-sharing pools, while the CCAOSC is an insurance purchasing pool. A risk-sharing pool is an organization formed by a group of governments to combine risks and resources and share in the cost of losses. An insurance purchasing pool is an organization formed by a group of governments to pool funds or resources to purchase commercial insurance policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Van Wert County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The County has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and to its enterprise fund. The most significant of the County's accounting policies are described below.

A. Basis of Presentation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the County.

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

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds utilized by the County: governmental, proprietary, and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - This fund accounts for all financial resources except those required to be accounted for in another fund. The General fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Motor Vehicle and Gas Tax Fund – This fund is used to account for revenue derived from motor vehicle licenses, gasoline taxes and investment income. Expenditures in this fund are restricted by State law to County road and bridge repair and improvement programs. The County Engineer currently expends the majority of the revenues in this fund for road and bridge repairs and operating costs for the Engineer's Office.

Community Development Block Grant (CDBG)) Fund - This fund is used to account for grant revenue received from the federal government used for intergovernmental expenditures to the local governments for fire protection facilities and equipment, street improvements, public services and fair housing programs.

Thomas Edison Fund – This fund is used to account for money received from a County-wide property tax levy and several federal and state grants and subsidies for Mental Retardation and Developmental Disabilities, its operations and activities.

Brumback Library Fund – This fund is used to account for the operation of the Brumback Library. Revenue is received from bequests and donations and from money received from the operations of the Library. A county-wide tax levy also provides support for the Library.

Towne Center Capital Improvement Fund – This fund is used to account for note proceeds issued for capital infrastructure improvements to Towne Center. Tax increment financing revenue is used to pay the note.

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

2. Proprietary Fund

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The County's proprietary fund is an enterprise fund.

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

Recycling Fund – This fund is used to account for the provision of recycling service to certain residents and businesses within the County.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations or other governments, and are not available to support the County's programs. Agency funds are used to report resources held by the County in a purely custodial capacity.

The County's only fiduciary funds are agency funds. The County's agency funds are primarily established to account for the collection of various taxes, receipts and fees and to account for funds of the County General Health District, Soil and Water Conservation District, Family and Children First, Regional Planning Commission, Homeland Security and Emergency Management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. **Component Units -** Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

C. Measurement Focus

1. **Government-wide Financial Statements**

   The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

2. **Fund Financial Statements -** All governmental funds 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. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

   Like the government-wide statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its enterprise activity.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; the enterprise fund and agency funds also uses the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

E. Revenues - Exchange and Non-exchange Transaction

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales tax, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). On an accrual basis, revenue from permissive sales tax is recognized in the period when the exchange transaction on which the tax is imposed occurs (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (See Note 7), accounts, interest, federal and state subsidies, grants, and state-levied locally shared taxes.

F. Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2008, but were levied to finance 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

G. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

H. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds, except cash held in segregated accounts and held by fiscal agents, are maintained in this pool. Individual fund integrity is maintained through County records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Cash and cash equivalents that are held separately by the component units and 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.”

Investments that are held separately by the Thomas Edison Endowment and the Library Enrichment Foundation of the Brumback Library and within the departments of the County and not held with the County Treasurer are recorded on the balance sheet as “investments in segregated accounts.”

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2008, the County invested in certificates of deposits, a repurchase agreement and the State Treasury Asset Reserve of Ohio (STAR Ohio). The Library Enrichment Foundation of the Brumback Library invests in First Financial Bancorp, Vanguard Growth and Income Fund, Vanguard Mid-Cap Index Fund, Vanguard Small-Cap Growth Index Fund and Vanguard Value Index Fund.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating investment contracts such as nonnegotiable certificates of deposit and nonparticipating repurchase agreements which are reported at cost.

The County has invested funds in STAR Ohio during 2008. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest income is distributed to the funds according to statutory requirements. Interest revenue of $356,394 was credited to the General Fund during 2008, which includes $334,739 assigned from other County funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

I. 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, collectability.

Using this criterion the County has elected to not record child support arrearages within the special revenue and agency fund types. 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.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset is recorded for the prepaid amount at the time of purchase and reflects the expenditure/expense in the year in which services are consumed.

K. Inventory of Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used.

Inventory consists of expendable supplies held for consumption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise fund are reported in both the business-type activities column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except for land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	40-100 years
Machinery and Equipment	10-20 years
Furniture and Fixtures	10-20 years
Vehicles	3-15 years
Infrastructure	10-70 years

The County's infrastructure consists of roads and bridges.

M. Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balances are eliminated on the government-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances".

N. Compensated Absences

Vacation and compensatory time 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 County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

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 those that the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated unused sick leave for all employees after 20 years of current service with the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employees will be paid. In the enterprise fund, the entire amount of compensated absences is reported as a fund liability.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes and capital leases are recognized as liabilities on the governmental fund financial statements when due.

P. Capital Contributions

Contributions of capital arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction or transfers of capital assets between governmental and business-type activities.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of a school; resident homes for the mentally retarded and developmentally disabled; the medical, financial, and social support to general relief recipients; the support and placement of children; and County road and bridge repair/improvement programs.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the County, these revenues are charges for services for recycling services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance Reserves

The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, loans receivable and unclaimed monies are recorded as a reservation of fund balance.

T. Interfund Transactions

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

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

U. Estimates

The preparation of the 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.

V. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. Budgetary information has not been presented for the Library Enrichment Foundation of the Brumback Library (blended component unit) because it is not included in the entity for which the "appropriated budget" is adopted nor does the entity maintain separate budgetary records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. CHANGE IN ACCOUNTING PRINCIPLES

Effective January 1, 2008, the County adopted the provisions of the following statements:

GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"* which improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The OPEB liability at transition was determined in accordance with this statement for OPERS in the amount of $85,948 which is the same as the previously reported liabilities.

GASB Statement No. 49, "*Accounting and Financial Reporting for Pollution Remediation Obligations"* addresses reporting standards for pollution remediation obligations. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 50, "*Pension Disclosures*-an amendment of GASB Statements No. 25 and No. 27" requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets"* establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments"* addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The implementation of this statement did not result in any changes to the financial statements.

4. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations 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 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, presented for the General, and Motor Vehicle and Gas Tax, Community Development Block Grant, (CDBG) Thomas Edison and Brumback Library Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

The major differences between the budget basis and the GAAP basis are that:

a.. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

b. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

c. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

d. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

e. Although not part of the appropriated budget, the Library Enrichment Foundation of the Brumback Library Special Revenue Fund is included as part of the reporting entity when preparing financial statements that conform with GAAP.

f. The change in the fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.

g. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund, and the Motor Vehicle and Gas Tax, CDBG, Thomas Edison, and the Brumback Library Special Revenue Funds are as follows:

Net Change in Fund Balance

	General	Motor Vehicle and Gas Tax	CDBG	Thomas Edison	Brumback Library
GAAP Basis	($238,443)	($681,781)	($ 46,385)	$ 84,433	($ 8,115)
Revenue Accruals	20,929	(1,318)		161,175	(3,826)
Expenditure Accruals	69,799	154,214	(86,923)	(25,881)	(72,943)
2008 Unrecorded Cash	(49,043)	(1,249)		(51,203)	
2007 Unrecorded Cash	135,597	5,771		112,394	
Change in Fair Value of Investments - 2008					35,949
Change in Fair Value of Investments - 2007					6,726
Agency Fund Allocation	(37,357)			(51,203)	
Note Proceeds	28,075				
Advances	45,070				
Activity of Non-budgeted Funds					(10,436)
Transfers	4,887				
Prepaid Items	(2,172)	(1,404)		1,292	30,526
Encumbrances	(76,776)	(83,009)	(40,556)	(118,665)	(6,661)
Budget Basis	($ 99,434)	($608,776)	($173,864)	$112,342	($28,780)

5. ACCOUNTABILITY

The Dog and Kennel Special Revenue Fund, the Recorder Supplemental Equipment Special Revenue Fund, the Rt. 127 Sanitary Sewer Capital Projects Fund, the Rt. 118 Sanitary Sewer Project, the Richey Road Sanitary Sewer Project, and the Overholt Addition Sanitary Sewer Project had deficit fund balances of $3,758, $821, $68,110, $66,309, $19,764 and $2,540, respectively. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur. All of the deficits funds except the Recorder Supplemental Equipment Special Revenue Fund are the result of a bond anticipation note. The liability will be eliminated when the notes are paid off and bonds are issued.

6. DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Monies held by the County which are not considered active are classified as inactive.

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 County Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Inactive monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

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

6. No-load money market mutual funds consisting exclusively of obligations described in 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. DEPOSITS AND INVESTMENTS (Continued)

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

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

9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and

10. Bankers' acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the County's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year-end, the carrying amount of the County's deposits was $8,662,082 which includes $23,685 of the Port Authority component unit deposits. Of the bank balance, $2,327,262 was covered by federal deposit insurance. Based on the criteria described in GASB Statement No. 40, *"Deposits and Investment Risk Disclosures",* $6,845,097 of the County's bank balance of $9,172,359 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the County's name.

B. Investments

At year-end, the County had the following investments:

Investment Type	Fair Value
First Financial Bancorp	$16,380
Vanguard Growth and Income Fund	12,613
Vanguard Mid-Cap Index Fund	13,588
Vanguard Small-Cap Growth Index Fund	14,906
Vanguard Value Index Fund	14,188
Repurchase Agreement	238,630
STAR Ohio	71,400
Total	$381,705

6. DEPOSITS AND INVESTMENTS (Continued)

C. Interest Rate Risk

The County's investment policy states that the maximum maturity is five years from the settlement date. All of the County's investments have a maturity within one year.

D. Credit Risk

The County's investment policy does not address credit risk. The County's investment in STAR Ohio has an AAAm credit rating. The County's investment in a repurchase agreement is exposed to credit risk due to the underlying securities are held by the investment's counterparty or its trust department or agent, not in the County's name. The investment in First Financial Bancorp is a common stock and is not rated.

E. Concentration of Credit Risk

The County's investment policy states the investment authority will diversify the investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. STAR Ohio and the repurchase agreement makes up 19 percent and 63 percent, respectively, of the County's investments.

7. RECEIVABLES

Receivables at December 31, 2008, consisted of property and other taxes, permissive sales tax, tax increment financing, accounts (billings for user charged services), special assessments, accrued interest, interfund, intergovernmental receivables arising from grants, and loans. All receivables are considered collectible in full except Court receivables. A summary of accounts receivable for Court receivables, as well as other receivables owed to the County governmental funds is as follows:

	Common Pleas/ Juvenile/Probate Court Receivable	Other Accounts Receivable	Total Accounts Receivable
Receivable	$196,217	$23,148	$219,365
Allowance for Uncollectibles	(74,966)		(74,966)
Net Accounts Receivable	$121,251	$23,148	$144,399

For the agency funds, the total receivable for the Common Pleas Court was $146,342, with an allowance for uncollectibles of $1,332, making net accounts receivable of $145,010. The law library, board of health, regional planning commission, and Community Services Block Grant agency funds had receivables of $388, $6,491, $118, and $3,692, respectively, making the total agency funds receivable $155,699.

Special assessments expected to be collected in more than one year in the Special Assessment Debt Service Fund amount to $16,087. At December 31, 2008, the amount of delinquent special assessments was $10,739.

7. RECEIVABLES (Continued)

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property (other than public utility) located in the County. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. 2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments were 12.5 percent of true value for 2007 and were reduced to 6.25 percent for 2008.

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to each subdivision its portion of the taxes collected. Accrued property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2008 operations. The receivable is therefore offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all County operations for the year ended December 31, 2008, was $7.15 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Agricultural/Residential Real Property	$400,733,900	84.91%
Other Real Property	52,240,270	11.07%
Tangible Personal Property	296,330	.06%
Public Utility Personal Property	18,698,260	3.96%
Total Assessed Valuation	$471,968,760	100.00%

7. RECEIVABLES (Continued)

B. Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.5 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. 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 Office of Budget and Management 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 Ohio Office of Budget and Management 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. A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2008. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is deferred. Sales and use tax revenue in 2008 amounted to $3,567,260 in the General Fund.

C. Due from Other Governments

A summary of intergovernmental receivables follows:

Governmental Activities:	Amounts
Boarding Fees	$20,790
Local Government	300,372
Homestead and Rollback	457,881
Election Costs	9,230
Advertising for Delinquent Taxes	4,407
Electric Deregulation Reimbursement	38,918
Personal Tax Replacement	235,443
Personal Tax Reimbursement	3,632
Motor Vehicle License Tax	573,273
Gasoline Excise Tax	767,734
Gasoline Cents per Gallon	359,984
Undivided Library	457,547
Municipal Court Fees	$8,016
Mercer County Auditor lease payment	1,456
Putnam County Auditor superintendent charges	2,858
MVGT Reimbursements	2,307
Indigent Defense Reimbursement	17,140
Attorney General Sheriff Reimbursement	1,870
Ohio Job and Family Services FY 08 close-out	47,869
Ohio Job and Family Services July-Dec 2008 close-out	36,301
OJFS - Administration Costs Oct-Dec 2008	37,903
OJFS - July-Dec ADC Reimbursement	533
Child Abuse Prevention Grant	7,500
Home Weatherization Assistance Grant - DOE	8,106
Home Weatherization Assistance Grant - HHS	19,989
Children Services Oct-Dec 2820 Reimbursement	14,858
State Foundation	51,997

7. RECEIVABLES (Continued)

Governmental Activities:	Amounts
Thomas Edison Subsidy Payment	139,448
Thomas Edison RFW/IO Waivers	6,775
Title XX	12,903
CSEA July-Dec closeout	104,818
Youth Bureau Reclaim Ohio Grant	90,279
Community Corrections Grant	28,680
State Help Me Grow Grant	30,943
CDBG Grant	1,031,600
Federal HEAP Program	72,896
Federal Visitation Center	8,884
Indigent Drivers Alcohol Reimbursement	2,952
Total Intergovernmental Receivables	$5,018,092

D. Loans Receivable

The County has the following loans receivable at December 31, 2008:

Date of Issue	Description	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Due in One Year
1996	Airport Construction	4.64%	$29,850		$2,000	$27,850	$3,000
1999	Airport Construction	4.98%	41,155		2,360	38,795	2,510
2003	Airport Improvement	1.80%	97,500		4,000	93,500	4,000
2003	Fair Board	0.00%	16,000		5,000	11,000	5,000
various	Revolving Loans	various	122,279	$22,300	13,512	131,067	44,844
			$306,784	$22,300	$26,872	$302,212	$59,354

The first 1996 and 1999 Airport Construction, and the 2003 Airport Improvement are with the Van Wert County Airport Authority. Two of the loans are for construction of T-hangars and the third loan is for the removal of underground fuel tanks. The loans are repaid yearly as principal and interest come due. The receivable for these loans is reported in the Airport Note Debt Service Fund.

The 2003 Fair Board loan was made to the Van Wert County Fair Board for improvements at the Fairgrounds. The County will receive annual payments of $5,000 until the loan is repaid. The receivable for this loan is shown in the General Fund.

The Revolving Loans are due from various businesses in the local community. Van Wert County partnered with the Van Wert County Port Authority to obtain a micro-enterprise CDBG grant that was loaned to various start-up businesses in the local community. The loans have various repayment terms and interest rates. The receivable for the loan is shown in the CDBG Revolving Loan Special Revenue Fund.

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance at 1/1/08	Additions	Deletions	Balance at 12/31/08
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	$ 248,700			$ 248,700
Land Improvements	20,399			20,399
Total Assets, not being Depreciated	269,099			269,099
Depreciable Capital Assets:				
Buildings	17,766,552			17,766,552
Machinery and Equipment	990,386			990,386
Furniture and Fixtures	81,070			181,070
Vehicles	4,637,266	$ 254,836	($184,850)	4,707,252
Infrastructure:				
Roads	4,142,488	288,114		4,430,602
Bridges	10,361,047	1,031,478		11,392,525
Total Depreciable Capital Assets	38,078,809	1,574,428	(184,850)	39,468,387
Less Accumulated Depreciation:				
Buildings	(5,084,586)	(296,293)		(5,380,879)
Machinery and Equipment	(579,661)	(53,576)		(633,237)
Furniture and Fixtures	(129,578)	(10,272)		(139,850)
Vehicles	(2,519,320)	(343,087)	182,671	(2,679,736)
Infrastructure:				
Roads	(1,587,013)	(175,872)		(1,762,885)
Bridges	(3,660,560)	(240,461)		(2,901,021)
Total Accumulated Depreciation	(13,560,718)	(1,119,561)	182,671	(14,497,608)
Depreciable Capital Assets, Net	24,518,091	454,867	(2,179)	24,970,779
Governmental Activities Capital Assets, Net	24,787,190	454,867	(2,179)	25,239,878
Business-Type Activities:				
Depreciable Capital Assets:				
Buildings	361,032			361,032
Machinery and Equipment	372,806			372,806
Furniture and Fixtures	11,357			11,357
Vehicles	371,436	184,425		11,357
Total Depreciable Capital Assets	1,116,631	184,425		1,301,056
Less Accumulated Depreciation:				
Buildings	(57,389)	(8,760)		(66,149)
Machinery and Equipment	(125,116)	(37,240)		(162,356)
Furniture and Fixtures	(11,357)			(11,357)
Vehicles	(249,234)	(28,470)		(277,704)
Total Accumulated Depreciation	(443,096)	(74,470)		(517,566)
Business-Type Activities Capital Assets, Net	$ 673,535	$ 109,955	$ 0	$ 783,490

8. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental programs as follows:

General Government	
Legislative and Executive	$113,594
Judicial	2,100
Public Safety	145,155
Public Works	687,461
Health	1,247
Human Services	169,147
Economic Development and Assistance	857
Total Depreciation Expense	$1,119,561

9. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs, and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll and 10.1 percent for public safety members and law enforcement members.

The County's contribution rate for 2008 was 14 percent of covered payroll, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.40 percent of covered payroll. The County's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

9. DEFINED BENEFIT PENSION PLANS (Continued)

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 was $657,066, $828,277, and $834,026, respectively; 94 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

B. State Teachers Retirement System of Ohio

For certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, the County contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Plan Options - New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation. The Combined Plan offers features of the DC plan and the DB plan. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions to the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service credit over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

9. DEFINED BENEFIT PENSION PLANS (Continued)

DC Plan Benefits – Benefits are established under Sections 3307.8 and 3307.89 of the Revised Code. For members who select the DC plan, all member contributions and employer contributions at a rate of 10.5 percent are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a benefit payment. A member's defined benefit is determined by multiplying 1 percent of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the lapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3 percent of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefits of $1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to $2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

For the year ended December 31, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

9. DEFINED BENEFIT PENSION PLANS (Continued)

The County's required contributions for pension obligations to the DB Plan for the years ended December 31, 2008, 2007, and 2006 were $24,720, $37,595, and $51,222, respectively; 100 percent has been contributed for 2007, 2006 and 2005. No County employees participated in the DC and Combined Plans for 2008.

10. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The amount of the employer contributions which was allocated to fund postemployment health care was 7 percent of covered payroll.

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

The County's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2008, 2007, and 2006 was $635,616, $544,951, and $397,075, respectively; 94 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

10. POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System of Ohio

Plan Description – The County contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio.

Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund.

The County's contributions for health care for the years ended December 31, 2008, 2007, and 2006 were $1,902, $2,884, and $3,940, respectively; 100 percent has been contributed for 2008, 2007 and 2006.

11. OTHER EMPLOYEE BENEFITS

A. Deferred Compensation Plans

County employees and elected officials may elect to participate in the Ohio Public Employees Deferred Compensation Plan or the Ohio County Commissioners Association Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue 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 until termination, retirement, death or an unforeseeable emergency. Beginning in 2003, the Ohio County Commissioners Association Deferred Compensation Plan allows plan participants to receive their monies for loans. The minimum loan amount is $2,500, while the maximum amount is $50,000 or 50 percent of the vested account balance, whichever is less. Two types of loans are available. The general purpose loan has a duration of one to five years. The principal residence loan has a duration of six to fifteen years. The interest rate for both loans is 2 percent over the prime rate published in the Wall Street Journal. Scheduled loan payments are made through payroll deduction, while lump sum early loan payoffs can be done by check. If a plan participant leaves employment before the loan is fully repaid, the plan participant is required to pay off the loan at the time of separation from service.

B. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Overtime hours can be accrued as compensatory time at one and one half times the amount of hours worked. All compensatory time must be used within 180 days; otherwise, it is paid out. All accumulated, unused vacation and compensatory time is paid upon separation if the employee has at least one year of service with the County.

11. OTHER EMPLOYEE BENEFITS (Continued)

The County's current leave policy states that all full-time employees working eighty hours in active pay status are entitled to 4.6 hours of sick leave with pay for every full pay period worked. Employees working less or more than the required amount for the pay period shall receive a pro-rated share of sick leave. Any County employee who has ten years of service with the state, any political subdivision, or combination thereof, will be paid for 25 percent of the value of his accrued but unused sick leave up to a maximum of 240 hours. The Engineer Office’s employees with 10-20 years of services are paid 25 percent up to a maximum of 30 days, 20-30 years a maximum of 45 days, and 30+ years a maximum of 180 days. The Brumback Library’s employees are paid up to 100 hours of their accrued, unused vacation balance. Such payment is based upon the employee's rate of pay at the time of his retirement and is paid to the employee in one lump sum payment upon retirement.

12. RISK MANAGEMENT

A. Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2008, the County contracted with the Mid West Pool Risk Management Agency, Inc. for liability, property and crime insurance. The listing below is a general description of insurance coverage. All policy terms, conditions, restrictions, exclusions, etc. are not included.

Coverage provided by Mid West Pool Risk Management Agency, Inc. (MRRMA) is as follows:

Property
- $250,000,000 limit per occurrence, subject to following limits:
  - Building and Contents at 140 percent of reported value of the building
  - Flood and Earthquake at $50,000,000 combined annual aggregate for all MPRMA members

Boiler and Machinery
- $50,000,000 per occurrence

Liability – General, Auto, Law Enforcement, Employee Benefits, Public Official Liability
- $7,000,000 per occurrence ($2,000,000 primary + $5,000,000 excess)

Liability – Nursing Home
- $3,000,000 per occurrence + $3,000,000 excess aggregate for all MPRMA members

Crime
- $500,000

All limits except Boiler and Machinery are inclusive of MPRMA $100,000 retention. Van Wert insurance is subject to $1,000 property deductible. Nursing home liability insurance is still provided as insurance on a claim made form.

In addition to the coverage above, the County has insurance under the Ohio School Plan for the Van Wert County Board of MRDD.

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There have been no material reductions in this coverage from the prior year.

12. RISK MANAGEMENT (Continued)

B. Health Care Benefits

The County participates in the Midwest Employee Benefit Consortium (MEBC), a risk-sharing pool consisting of five counties (See Note 21). Each member pays premiums to the MEBC for employee medical and life insurance premiums. The MEBC is responsible for the management and operation of the program. Upon withdrawal, the County is obligated for the payment of supplementary payments attributable to years during which the County was a member of the MEBC. Such supplementary payments may include, but are not limited to, sums sufficient to pay claims, retain reserve levels and pay for continuing claims administration. In addition, the County will continue to be responsible for all other obligations of membership attributable to such prior years. The MEBC Board of Trustees has the right to return monies to an exiting member subsequent to the settlement of all expenses and claims.

The Brumback Library contracts with Aetna U.S. Healthcare for medical insurance.

The County Engineer contracts with Business Administrators and Consultants, Inc. for health care and dental coverage.

C. Workers' Compensation

For 2008, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool (See Note 21).

The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers' compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC's executive committee calculates the total savings which accrued to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAO's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the County pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

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

13. LEASES

A. Operating Leases

The County entered into several non-cancelable operating leases during 2004. The County leased a copier from Xerox for 60 months. Terms of the agreement require the County to pay a base monthly charge of $130. The County leased a second copier from Xerox for 60 months with a base monthly charge of $203. Finally, the County entered into a lease with Perry Corporation for a third copier at a rate of $742 per month for 63 months. Total costs paid during 2008 on these leases were $12,910.

The following schedule is the future minimum rental payments for the non-cancelable operating leases:

For the Year Ending:	Amount
2009	$11,641
2010	3,710
	$15,351

Also during 2004, the County entered into a lease with John Deere for a 2003 John Deere Wheel Loader for five years. Under the terms of the lease, the County is required to make annual payments of $12,575. The final payment on this lease was made in 2008.

B. Capital Leases

The County also holds leases from prior years for buses for Thomas Edison. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *"Accounting for Leases",* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Vehicles acquired by lease have been capitalized in the governmental activities general capital assets at amounts equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the governmental activities general long term debt. Principal payments made during 2008 totaled $55,601, in the Thomas Edison Special Revenue Fund. The Thomas Edison buses have a total historical cost of $324,588, with accumulated depreciation of $70,462 as of December 31, 2008, with a book value of $254,126. The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2008:

For the Year Ending	Amount
2009	$ 67,452
2010	64,571
2011	29,694
2012	20,094
2013	3,349
Total	185,160
Less: Amount Representing Interest	(12,711)
Present Value of Minimum Lease Payments	$172,449

14. SHORT-TERM OBLIGATIONS

A summary of the short-term transactions for the year ended December 31, 2008, follows:

Date of Issue	Description	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008
2004	Town Center Capital Facilities	4.25%	$4,150,000		($4,150,000)	
2008	General Fund Equipment	3.90%		$28,075		$28,075
2008	Dog Warden Truck	3.90%		10,100		10,100
2008	Rt. 118 Sewer Construction	3.90%		111,810		111,810
2008	Rt. 127 Sewer Construction	3.90%		69,078		69,078
2008	Richey Road Sewer Const.	3.90%		28,444		28,444
2008	Overholt Addition Sewer Const.	3.90%		100,991		100,991
	Total General Obligation Notes		$4,150,000	$348,498	($4,150,000)	$348,498

The Towne Center note carried an interest rate of 3.52 percent. The note was paid from revenues received under a City tax financing agreement entered into with the City of Van Wert on October 5th, 2004. The note was originally issued in the amount of $5,000,000.

On December 31, 2008, the County issued various purpose general obligation notes in the amount of $348,498. The notes carry an interest rate of 3.90 percent and mature December 30, 2009. The General Fund Equipment portion will be paid from the General Fund. The Dog Warden portion will be paid from the Dog and Kennel Special Revenue Fund. The sewer construction portion will be paid from assessments that will be charged to benefited properties. The City of Van Wert will collect the assessments on their sewer bills and forwarded the collections to the County.

15. LONG-TERM OBLIGATIONS

The changes in the County's long-term obligations of the governmental activities of the County during 2008 follow:

Date of Issue	Description	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Amounts Due in One Year
	General Obligation Notes						
1996	Airport Construction	4.64%	$29,850		($2,000)	$27,850	$3,000
1999	Airport Construction	5.69%	41,155		(2,360)	38,795	2,510
2002	County Annex	3.38%	975,000		(65,000)	910,000	65,000
2002	Thomas Edison Improvement	3.38%	200,000		(40,000)	160,000	40,000
2003	Airport Improvement	4.12%	97,500		(4,000)	93,500	4,000
2003	Probate Court Computer	4.12%	19,200		(7,700)	11,500	3,000
2003	County Annex/County Home	4.12%	407,142		(24,800)	382,342	3,000
2003	Thomas Edison Improvement	4.12%	320,000		(20,000)	300,000	22,000
	Total General Obligation Notes		2,089,847		(165,860)	1,923,987	142,510
	Special Assessment Notes						
2000	27 Mile Creek	4.87%	42,012		(42,012)		
2000	Kimmett Ditch	4.87%	6,552		(6,552)		
2000	Monkey Run Ditch	4.87%	8,378		(8,378)		
2000	Pottawatome Ditch	4.87%	5,084		(5,084)		
	Total Special Assessment Notes		62,026		(62,026)		

15. LONG-TERM OBLIGATIONS (Continued)

Date of Issue	Description	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Amounts Due in One Year
	OWDA Loan						
2007	Washington Twp/Delphos Sewers	0.00%	274,615	$210,496		485,111	
	General Obligation Bonds						
2008	Capital Facilities Bond Series A	Various		3,580,000		3,580,000	150,000
2008	Capital Facilities Bond Series B	9.375%		685,000		685,000	15,000
	Total General Obligation Bonds			4,265,000		4,265,000	165,000
	Total Notes, Loans and Bonds		2,426,488	4,475,496	(227,886)	6,674,098	307,510
	Other Long-Term Obligations:						
	Compensated Absences		737,840	478,232	(460,092)	755,980	466,589
	Capital Leases		228,050		(55,601)	172,449	60,755
	Total - Other Long-Term Obligations		965,890	478,232	(515,693)	928,429	527,344
	Total - General Long-Term Obligations		$3,392,378	$4,953,728	($743,579)	$7,602,527	$834,854

The following table discloses the original issue amounts for the debt issued:

Issue	Amount
General Obligation Notes:	
1996 Airport Construction	$49,850
1999 Airport Construction	55,390
2002 County Annex	1,300,000
2002 Thomas Edison Improvements	400,000
2003 Airport Improvement	108,000
2003 Probate Court Computer	50,000
2003 County Annex/County Home	495,334
2003 Thomas Edison Improvement	400,000
Special Assessment Notes:	
2000 27 Mile Creek	515,870
2000 Kimmett Ditch	80,634
2000 Monkey Run Ditch	193,961
2000 Pottawatome Ditch	95,307

All of the notes are bond and revenue anticipation notes and are backed by the full faith and credit of Van Wert County. All other note issues will be paid through the debt service funds from special assessments and transfers from the General Fund. The note liability is reflected as long-term since the notes are similar to serial bonds where annual payments are made each year and there is no rollover of principal from year to year. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. All of the notes are pre-payable without penalty at the option of the County at any time prior to maturity.

15. LONG-TERM OBLIGATIONS (Continued)

During 2007, the County entered into a loan agreement with the Ohio Water Development Authority. The total amount of the loan is $521,716. As of December 31, 2008, the County had only received $485,111 in loan proceeds. The loan is an interest free loan and will be paid semi-annually for 20 years. Once the construction has been completed and the loan has been finalized, an amortization schedule will be issued to notify the County when payments will begin on the loan. The City of Delphos will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Delphos will remit the fees to the County quarterly and these fees will be used to retire the debt. Since the construction is still taking place, no fees have been levied as of December 31, 2008.

During 2008, the County issued capital facilities general obligation bonds to retire the general obligation notes for Towne Center. Series A bonds have a par value of $3,580,000 and Series B bonds have a par value of $685,000. The bonds were issued with a discount amount of $78,964 and the County paid $192,563 in issuance costs. Interest rates on Series A bonds range from 3.75 percent to 5.25 percent. The interest rate on Series bonds is 9.375 percent. The bonds will be paid from revenues received under a City tax financing agreement entered into with the City of Van Wert on October 5th, 2004.

The compensated absences payable will be paid from the General, Motor Vehicle and Gas Tax, Dog and Kennel, Department of Job and Family Services, Real Estate Assessment, Thomas Edison, Youth Bureau, Federal DOE Weatherization, Federal HHS Weatherization, Child Support Enforcement Agency, Certificate of Title Administration, County Home, 911 Equipment, Community Corrections, and Brumback Library Funds. Obligations under capital lease are paid from the Thomas Edison Special Revenue Fund.

Changes in the long-term obligations reported in business-type activities of the County during 2008 were as follows:

Description	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Due in One Year
Recycling Bldg and Trucks	4.12%	$80,000		($ 5,000)	$75,000	$2,500
Compensated Absences		14,344	$5,048	(6,776)	12,616	5,951
Totals		$94,344	$5,048	($11,776)	$87,616	$8,451

The note payable for the recycling building and trucks was issued in 2003 for $100,000 and will be paid from the Recycling Enterprise Fund with operating revenues. The note is pre-payable without penalty at the option of the County at any time prior to maturity. The note will mature in 2023.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and un-voted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The effects of the debt limitations at December 31, 2008, are an overall debt margin of $7,987,910 and an un-voted debt margin of $2,411,165.

Principal and interest requirements to retire the County's long-term obligations outstanding at December 31, 2008, were as follows:

15. LONG-TERM OBLIGATIONS (Continued)

Governmental Activities

	General Obligation Notes		General Obligation Bonds	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2009	$151,510	$102,816	$165,000	$227,583
2010	156,680	97,296	170,000	226,013
2011	162,850	91,560	180,000	218,138
2012	167,540	85,567	190,000	210,263
2013	131,250	79,378	200,000	201,319
2014-2018	707,460	315,513	1,140,000	850,201
2019-2023	446,697	172,019	1,490,000	495,020
2024-2025			730,000	67,088
Totals	$1,923,987	$944,149	$4,265,000	$2,495,625

Business-Type Activities

	General Obligation Notes	
Year	**Principal**	**Interest**
2009	$2,500	$3,090
2010	2,500	2,987
2011	3,000	2,884
2012	3,500	2,760
2013	4,000	2,616
2014-2018	28,000	10,197
2019-2022	31,500	3,172
Totals	$75,000	$27,706

A. Conduit Debt

During 1996, the County issued a health care facilities revenue bond with the principal amount of $279,000 outstanding at December 31, 2008, for facilities used by the Stepping Stones Center, Inc. A health care facilities revenue bond was issued for the Van Wert Area Visiting Nurses Association, with the principal amount of $1,067,500 outstanding at December 31, 2008.

During 2004, $3,604,000 in Series 2004A Hospital Facilities Revenue Refunding Bonds was issued in order to refund and retire the outstanding Series 1997 bonds and Series 2000 bonds. At December 31, 2008, $656,939 was outstanding. Also during 2004, $4,750,000 in Series 2004B Hospital Facilities Revenue Refunding and Improvement Bonds were issued in order to refund and retire the outstanding Series 1991 Bonds and finance the acquisition, construction, installation, renovation and equipping the second floor of the Hospital's facilities. At December 31, 2008, $4,750,000 was outstanding. Payments on the Series 2004 B bonds will begin in 2009.

The proceeds of the bonds do not constitute a general obligation, debt or bonded indebtedness of the County. The County is not obligated in any way to pay debt charges on the bonds from any of its funds; therefore, they have been excluded entirely from the County's debt presentation. Neither is the full faith and credit or taxing power of the County pledged to make repayment.

16. INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2008, consisted of the following amounts and resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting, and (3) payments between funds are made. All are expected to be paid within one year.

Interfund Payable	Interfund Receivable				
	General	Motor Vehicle and Gas Tax	Thomas Edison	Other Governmental	Total
General		$ 2,523	$3,500	$ 4,887	$10,910
Thomas Edison		2,572			2,572
Other Governmental	$19,833	38,790	1,279	18,123	78,025
Recycling		1,665			1,665
Total	$19,833	$45,550	$4,779	$23,010	$93,172

Interfund transfers for the year ended December 31, 2008, consisted of the following:

Transfers to	Transfers From				
	General	Motor Vehicle and Gas Tax	Thomas Edison	Other Governmental	Total
General				$113,420	$ 113,420
Town Center Capital				15,919	15,919
Other Governmental	$303,950	$517,348	$77,860	75,108	974,266
Total	$303,950	$517,348	$77,860	$204,447	$1,103,605

The General Fund transferred $128,805 for debt service obligations. The General Fund transferred $86,337 to the Department of Job and Family Services. The General Fund transferred $88,808 to the Child Support Enforcement Agency.

The MVGT fund transferred $517,348 to the Issue II fund for the County share of a road resurfacing project.

The Thomas Edison Capital Projects transferred $77,860 to the Thomas Edison Special Revenue for the payment of principal and interest.

The Towne Center Capital Improvement Fund transferred $15,919 to the Towne Center Debt Retirement Fund to move debt activity to the fund where the note liability was recorded. The 911 Equipment and Maintenance Fund transferred $75,108 in the establishment of the 911 Wireless Fund. The Indigent Guardianship Fund transferred $148 to the General Fund for a correction of an error. The County Home Operation Levy Special Revenue Fund transferred $113,272 to the General Fund for reimbursement of amount needed to pay debt.

17. DISCRETELY PRESENTED COMPONENT UNITS

Summary of Significant Accounting Policies

A. Nature of Organizations

1. **The Thomas Edison Center** – Due to control arising from common membership of boards of directors, the Thomas Edison Center financial statements include the accounts of the Thomas Edison Center and those of closely related entities of Thomas Edison Memorial Endowment and Van Wert Housing Services, Inc. Inter-company transactions and balances have been eliminated in consolidation.

   The Thomas Edison Center is a non-profit sheltered workshop providing residential, vocational, habilitation and family resource services to mentally retarded and developmentally disabled adults in Van Wert County and other counties. The Thomas Edison Center is primarily funded by the Van Wert County Board of MRDD as disclosed in Note 22. The Thomas Edison Center is exempt under Internal Revenue Code Section 501(c)(3) from federal income tax. It is also currently exempt from federal unemployment tax and Ohio franchise, personal property, and sales taxes. The payroll of the Thomas Edison Center became subject to the social security (FICA) coverage due to the Social Security Amendments of 1983.

   Van Wert Housing Services, Inc. was organized in 1992 as a not-for-profit corporation. The purpose is to develop dwellings and provide affordable housing in Van Wert County or other counties for occupancy by disabled persons from Van Wert County. Van Wert Housing Services, Inc. is primarily funded by the Van Wert County Board of MRDD as disclosed in Note 22.

   Van Wert Housing Services, Inc. is exempt under Internal Revenue Code Section 501(c)(3) from federal income tax. It is also currently exempt from federal unemployment tax and Ohio franchise, personal property, and sales taxes. The payroll of Van Wert Housing Services, Inc. became subject to social security (FICA) coverage due to the Social Security Amendments of 1983.

   The Thomas Edison Memorial Endowment is a not-for-profit corporation organized in 1975. The organization is classified as a public charity by the Internal Revenue Service Code Section 501(c)(3) and 509(a)(1).

2. **The Port Authority** is a legally separate organization created to maintain and operate the rail property located within the County.

3. **The Airport Authority** is a legally separate organization. It was created in 1974 by resolution of the Van Wert County Commissioners.

B. Classification of Net Assets

Unrestricted net assets are comprised of the amount upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

Temporarily restricted net assets and investment income generated by these assets comprise those amounts the expenditure of which has been restricted by donors for use during a specific time period or for a particular purpose. When such a restriction expires; that is, when a stipulated time restriction ends or a program restriction is accomplished, temporarily restricted capital assets are released to unrestricted net assets and are reported in the statement of activities and changes in net assets.

17. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Permanently restricted net assets comprise those assets contributed to the component units by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the component units. Investment income generated by these assets is reported as unrestricted or temporarily restricted, depending upon whether the donors have limited the expenditure of income to a particular purpose or purposes or have indicated that such income is to be available for the general purposes of the component units. At December 31, 2008, all of the assets of the component units are unrestricted.

C. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All of the component units' contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Contributed services have been recognized as contributions to the extent the total amount that could have been charged for these services exceeds the amount actually charged.

D. Accounts Receivable

Accounts receivable are derived from sales and services with the north western Ohio area. As a result, the economic conditions of the area affect the revenue of the Thomas Edison Center, Van Wert Housing Services, Inc., and Thomas Edison Memorial Endowment. At December 31, 2008, accounts receivable, trade were reported net of a $0 allowance for doubtful accounts.

E. Inventories

Inventories are valued at the lower of cost or market using the average cost method of determining cost.

F. Capital Assets

It is the component units' policy to capitalize expenditures in excess of $500 with an estimated life of more than one year. Property, equipment, and vehicle accounts are stated at cost or donated value and are being depreciated using the straight-line method over their estimated useful lives. Thomas Edison Center uses 12-40 year useful life for buildings and improvements and 10-12 years for equipment and fixtures. The Port Authority depreciates its capital assets over an estimated useful life of 38-40 years, and 5 to 20 years for the Airport Authority. When sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are removed from the applicable accounts and any gain or loss resulting there from is included in the statement of activities. Routine maintenance, repairs and renewals are charged to operating cost and expenses as incurred. Property and equipment additions and expenditures which materially increase values or extend useful lives are capitalized.

During the year ended December 31, 2008, depreciation expense for Thomas Edison Center, Port Authority, and the Airport Authority is $49,585, $2,102, and $50,203, respectively. A summary of the component units' capital assets at December 31, 2008, follows:

17. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Thomas Edison Center:	
Workshop equipment and buildings	$ 348,787
Houses and related improvements	750,874
Home furnishings	21,981
Total	1,121,642
Accumulated Depreciation	(328,426)
Book Value	$ 793,216

	Port Authority	Airport Authority
Capital Assets, not being depreciated:		
Land	$56,352	$ 214,100
Capital Assets, being depreciated:		
Buildings	2,159	105,575
Vehicles		1,500
Furniture and Fixtures		3,035
Equipment		43,000
Fueling System		116,150
Taxiways		1,372,549
Infrastructure	77,835	
Capital Assets Being Depreciated	79,994	1,641,809
Buildings	(1,349)	(28,888)
Vehicles		(900)
Furniture and Fixtures		(2,872)
Equipment		(21,430)
Fueling System		(29,038)
Taxiways		(174,589)
Infrastructure	(51,207)	
Accumulated Depreciation	(52,556)	(257,717)
Total Capital Assets Being Depreciated, Net	27,438	1,384,092
Total Capital Assets, Net	$83,790	$1,598,192

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

H. Major Customer and Concentration of Credit Risk

Approximately 53 percent of Thomas Edison Center's workshop program revenues were derived from service contracts with one industrial customer. Loss of this customer would have a significant impact on workshop operations. The Thomas Edison Center grants credit to customers of its workshop operations most of whom are based in western Ohio.

17. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

I. Bad Debt

For the Thomas Edison Center, management periodically reviews receivables for collection status. Since at the balance sheet date management has determined that all receivables would be collected, no allowance for doubtful accounts was made. The Center does not charge interest on past due accounts. Should any receivable become past due, management's policy is to write-off accounts only after all reasonable collection efforts have been made. Such write-offs require board approval.

J. Deposits and Investments

Cash and cash equivalents held by the Thomas Edison Center and the Airport Authority are classified as "Cash and Cash Equivalents in Segregated Accounts," meaning any investment with an original maturity of three months or less. Cash and cash equivalents held by the Port Authority is presented in the account "Equity in Pooled Cash and Cash Equivalents" because its funds are included in the County Treasurer's cash management pool. Investments held by Thomas Edison Center are classified as "Investments in Segregated Accounts."

1. At year-end, the carrying amount of deposits for Thomas Edison Center was $66,475 and the bank balance was $66,351. The entire balance was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investment of funds for the not-for-profit corporation. Investments primarily consist of U.S. government obligations, corporate obligations and common stocks.

	Cost	Fair Value	Unrealized Gain/ (Loss)
12/31/2008	$1,517,785	$1,256,298	($261,487)
12/31/2007	1,597,634	1,646,285	48,651
12/31/2006	1,442,551	1,673,379	230,828
12/31/2005	1,321,226	1,544,584	223,358
12/31/2004	1,334,509	1,547,694	213,185

The stock and bonds are not rated. Investment activity for the year ended December 31, 2008 resulted in a net realized investment loss of $352,257.

2. Since the County Auditor is the fiscal agent for the Port Authority, the Port Authority follows the same investment guidelines as the County Treasurer. Information concerning deposits for the Port Authority can be found in Note 6.

3. At year-end, the Airport Authority carrying amount of deposits was $344,656, and the bank balance was $323,726. The entire bank balance was covered by federal depository insurance. The Airport Authority follows the same investment guidelines as the County Treasurer which can be found in Note 6.

K. Notes Payable

A summary of the note transactions for the component units for the year ended December 31, 2008, follows:

17. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Interest Rate	Balance at December 31 2007	Increases	Decreases	Balance at December 31 2008
Thomas Edison Center					
Residential Property #1	6.125%	$ 314		$ 314	
Residential Property #2	6.125%	3,039		3,039	
Residential Property #3	8.00%	14,124		2,673	$11,451
Residential Property #4	8.00%	20,438		2,079	18,359
Residential Property #5	7.00%	18,463		1,680	16,783
Residential Property #6	5.75%	29,744		2,082	27,662
Total		$86,122	$0	$11,867	$74,255

During 2008, the debt on residential properties #1 and #2 was paid in full. The terms on the residential property #3 note call for 180 monthly payments, including interest, of $325. It is secured by a consumer residential house with a cost of $56,156. The terms on the residential property #4 note call for 180 monthly payments, including interest, of $306. It is secured by a consumer residential house with a cost of $64,934. The terms on the residential property #5 note call for 180 monthly payments, including interest, of $243. It is secured by a consumer residential house with a cost of $74,848. The terms on the residential property #6 note call for 180 monthly payments, including interest, of $309. It is secured by a consumer residential house with a cost of $83,708.

Following are the maturities of the notes payable in aggregate for each of the next five years for the Thomas Edison Center:

Year Ending December 31,	Payment
2009	$ 9,018
2010	9,710
2011	10,457
2012	9,125
Beyond	35,945
Total	$74,255

L. Loans Payable

A summary of the loan transactions for the component units for the year ended December 31, 2008, follows:

	Interest Rate	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008
Airport Authority					
Airport Hangar #1	4.64%	$29,850	$0	$2,000	$27,850
Fuel Tank Removal	5.69%	97,500	0	4,000	93,500
Airport Hangar #2	4.12%	41,155	0	2,360	38,795
Total Loans Payable		$168,505	$0	$8,360	$160,145

17. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

The interest rates on the airport loans are adjusted annually on the date that the annual payment is due. The adjusted rate is the prime rate multiplied by 65 percent. The interest rate shall never exceed the lesser of 12 percent or the maximum interest rate permitted by law. Terms on the Airport Hangar loan #1 due to the County call for a total of 20 annual payments starting on August 1, 1997, at varying amounts based on the interest rate and principal due at that time. Terms on the Fuel Tank loan due to the County call for five annual payments starting on August 2, 2001, at varying amounts based on the interest rate and principal due at that time. Terms on the Airport Hangar loan #2 due to the County call for a total of 20 annual payments starting on October 1, 2001, at varying amounts based on the interest rate and principal due at that time.

18. JOINT VENTURES

A. Van Wert County Emergency Management Agency

The Van Wert County Emergency Management Agency (EMA) is a joint venture among Van Wert County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is composed of the following seven members: one County Commissioner representing the board of county commissioners entering into the agreement; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative.

During 2008, the County contributed $19,000 for the operation of the agency. The EMA is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the EMA located at 1300 Old Route 30, Post Office Box 602, Van Wert, Ohio 45891.

B. Van Wert County Regional Planning Commission

The Van Wert County Regional Planning Commission (the Commission) is a joint venture among the County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of thirty members of which two-thirds are elected officials. The County must be represented by the three County Commissioners, a County Health Official, the County Engineer, the County Recorder, the County Auditor, the Sheriff and the County Extension Agent.

Other members include: a representative from all participating Boards of Township Trustees; the Mayor or a Council member of each participating incorporated village; two representatives from the City of Van Wert, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission are representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representatives as deemed necessary by the Commission.

18. JOINT VENTURES (Continued)

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The County contributed $5,000 during 2008 for the operations of the Commission. The Commission is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The Commission is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the Commission located at 719 East Crawford Street, Van Wert, Ohio 45891.

19. JOINTLY GOVERNED ORGANIZATIONS

A. Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board)

The Tri County Mental Health Board is a jointly governed organization among Mercer, Paulding and Van Wert counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Mercer, Paulding and Van Wert counties in the same proportion as the County's population bears to the total population of the three counties combined. The majority of the Tri County Mental Health Board’s revenue comes from a property tax levied by the Tri County Mental Health Board. During 2008, the tax levy provided $285,641 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Tri County Mental Health Board. There were no County contributions.

B. Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio

The Community Improvement Corporation (CIC) of the City of Van Wert and County of Van Wert, Ohio (the CIC) is a jointly governed organization between the City and the County. The general purpose of the CIC is to pursue and maintain economic development within the County. The CIC is governed by a Board of Trustees made up of nine members, which includes one elected officer of the City of Van Wert, one elected officer of the of Van Wert County, one elected officer of a Township in Van Wert County, one elected official from any political subdivision in Van Wert County as selected by the CIC’s nominating committee, the president or his designee from the Van Wert Industrial Development Corporation and four persons residing in Van Wert County as selected by the CIC’s nominating committee. During 2008, the County contributed $11,500 to the CIC.

19. JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Van Wert County Council on Aging, Inc.

The Van Wert County Council on Aging, Inc. (the Council) is a jointly governed organization among the County, the City of Van Wert, neighboring townships, and local related organizations. The Council was formed to secure and maintain maximum independence and dignity for older persons (1) in a home environment for older persons capable of self-care with appropriate supportive services by providing such services and to remove individual and social barriers to economic and personal independence, (2) in a home-like environment for older persons not capable of self-care with adequate institutional situations by providing assistance to these institutions in developing policy.

The Board of Directors consists of thirteen members, who represent, as nearly as possible, a cross section of the entire county population. Representatives of local health services, low income persons, the clergy, government officials, consumers and other concerned citizens shall be appointed to the Board. The majority of the Council's revenue comes from a property tax levied by the Council. During 2008, the tax levy provided $208,903 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Council. There were no County contributions.

D. West Central Partnership, Inc.

The West Central Partnership, Inc. (the Partnership) is a jointly governed organization among Allen, Auglaize, Darke, Hancock, Hardin, Mercer, Miami, Logan, Paulding, Putnam, Shelby, Union and Van Wert counties. The Partnership was formed to administer local loan programs in these counties for the State of Ohio Department of Development using 166 funds and locally raised money. The Board of Trustees consists of nine members, including a County Commissioner from each of the member counties and the Director of Region 3, West Central SBDC Partnership. The counties do not contribute any money for the operation of the Partnership.

E. Maumee Valley Resource Conservation and Development Area

The Maumee Valley Resource Conservation and Development Area (the MV-RCD Area) is a jointly governed organization among the Counties of Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams. The MV-RCD Area is organized to accelerate local efforts toward improving the social and economic conditions of the area through the conservation, development and utilization of natural resources. The Executive Council consists of twenty-four members. Each county appoints three members, with a member from each of the following: Board of County Commissioners, Soil and Water Conservation District, and a member at large. The member at large may represent one of the following interests: cities and villages, township trustees, Regional Planning, business, industry, labor, Chamber of Commerce, economic development, environmental groups, league of women voters, specialty growers, farm organizations, and concerned citizens. For 2008, the County contributed $500 to the MV-RCD Area for its operation.

19. JOINTLY GOVERNED ORGANIZATIONS (Continued)

F. Northwest Ohio Waiver Administration Council

The Northwest Ohio Waiver Administration Council (NOWAC) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. NOWAC is a council of governments directed by a seven-member Board of Council Members. The Board consists of the Superintendents of the member County Boards of Mental Retardation and Developmental Disabilities (County Boards of MR/DD). The member County Boards of MR/DD include: Allen, Defiance, Fulton, Henry, Paulding, Van Wert and William Counties. NOWAC provides quality assurance reviews for various member County Boards of MR/DD residential programs and also administers the residential programs for Defiance, Van Wert and Williams County Boards of MR/DD. NOWAC provides investigation of Major Unusual Incidents (MUIs) for the Defiance, Henry, Fulton, Paulding, Van Wert, and Williams County Boards of MR/DD.

20. RELATED ORGANIZATIONS

A. Van Wert County Hospital Commission

The Van Wert County Hospital Commission (Commission) is a legally separate body politic. The nine board members of the Commission are appointed by the Van Wert County Commissioners: one member each from the townships of Willshire-Liberty, Harrison-Pleasant, Tully-Union, Hoaglin-Jackson, Ridge-Washington, and York-Jennings, along with three members from the City of Van Wert. The County is not able to impose its will on the Commission and no financial benefit and/or burden relationship exists. The Commission is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The Commission was organized under Ohio Revised Code 339.14. The purpose is to oversee the total operation of the Van Wert County Hospital to insure the residents of the County are receiving total care.

B. Local Emergency Planning Committee

The Local Emergency Planning Committee (LEPC) is a legally separate body politic. The fifteen committee members of the LEPC are appointed by the Van Wert County Commissioners. As near as practical, the LEPC will be comprised of an equal number of representatives from the following categories: Elected Officials, Law Enforcement, Emergency Management, Fire Fighter, First Aid/Red Cross, Health, Local Environmental, Hospital, Transportation, Broadcast or Print Media, Community Group, Facility Owner/Operator. The County is not able to impose its will on the LEPC and no financial benefit and/or burden relationship exists. The LEPC is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The LEPC was organized under the Superfund Amendments and Reauthorization Act (SARA TITLE III), United States Public Law 99-499, and the Emergency Planning and Community Right-to-Know Act (EPCRA) Section 301c. The purpose is to prepare a comprehensive and coordinated chemical emergency response plan for the County; to receive and process requests from the public for information under SARA TITLE II; to implement the LEPC rules and requirements of SARA TITLE III; and to receive and dispense funds generated by SARA TITLE III.

21. INSURANCE POOLS

A. Mid West Pool Risk Management Agency, Inc.

The Mid West Pool Risk Management Agency, Inc., (the Pool) is an Ohio nonprofit corporation established by five counties for the purpose of establishing a risk-sharing insurance program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by the Pool. Coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' error and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Pool are managed by an elected board of not more than five trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of the Pool is limited to its voting authority and any representation it may have on the board of trustees.

B. Midwest Employee Benefit Consortium

The County participates in the Midwest Employee Benefit Consortium (MEBC), a risk-sharing pool consisting of five counties. The MEBC is responsible for the administration of the program and processing of all claims for each member. The County pays premiums to the MEBC for employee medical and life insurance benefits. The MEBC is governed by a Board of Trustees consisting of one county commissioner from each participating member. Each participant decides which plans offered by the Board of Trustees will be extended to its employees. Participation in the MEBC is by written application subject to acceptance by the Board of Trustees and payment of the monthly premiums.

C. The County Commissioners' Association of Ohio Service Corporation

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as an insurance purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing eligibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

22. RELATED PARTY TRANSACTIONS

Thomas Edison Center, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The MRDD provides the workshop with personnel who provide habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of Thomas Edison Center, Inc. The contributions and related expenses are reflected in the financial statements of the component unit. In 2008, the contributions to Thomas Edison Center, Inc. for salaries, fringes, maintenance and repairs of buildings and administrative costs were $168,565.

Van Wert Housing Services, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of MRDD. It had agreed to acquire, manage and maintain residential properties. The MRDD makes grants available to assist in the purchase of the properties and has maintained a legal interest through a note and a second mortgage in the acquired properties. In the event of default or violation of the contract terms, the MRDD has the right to assume the mortgage and the right to insist on the transfer of title.

23. CONTINGENT LIABILITIES

A. Grants

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

24. SUBSEQUENT EVENT

During March 2009, the County entered into a lease with John Deere Credit for a wheel loader. The terms of the lease requires the County to make five annual lease payments of $20,669. At the end of the lease the County may purchase the wheel loader for $72,887.

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FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2008

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures	Non-Cash Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(Passed through Ohio Department of Development)				
Community Development Block Grant/State's Program	BF-05-074-1	14.228	$13,899	
	BF-06-074-1		42,544	
	BF-07-074-1		91,836	
	BF-08-074-1		612	
	BC-04-074-1		1,882	
	BW-05-074-1		93,055	
Total United States Department of Housing and Urban Development			243,828	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(Passed through Ohio Department of Development)				
Low-Income Home Energy Assistance	H07-136	93.568	27,314	
	H08-136		65,000	
	08-HC-253		10,100	
	08-HA-153		63,607	
	09-HA-153		19,853	
	07-HA-153		2,535	
	08-HE-253		93,453	
	09-HE-253		56,688	
Total Low-Income Home Energy Assistance			338,550	
(Passed through Ohio Department of Job and Family Services)				
Promoting Safe and Stable Families	N/A	93.556	14,629	
Child Welfare Services	N/A	93.645	46,707	
Child Abuse and Neglect	N/A	93.669	1,999	
Chafee Foster Care Independent Living	N/A	93.674	1,139	
(Passed through Ohio Department of Develpmental Disabilities)				
State Children's Insurance Program (SCHIP- TCM)	8100012	93.767	1,082	
Medical Assistance Program (TCM)	8100012	93.778	467,839	
Social Services Block Grant	MR-81	93.667	25,883	
Total United States Department of Health and Human Services			897,828	
U.S. DEPARTMENT OF EDUCATION				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Special Education Preschool Grant	071183-PG-S1-2008	84.173	15,386	
	071183-PG-S1-2009		200	
Total			15,586	
Special Education Grants to States	071183-6B-SF-2008	84.027	19,112	
Total Special Education Cluster			34,698	
State Grants for Innovative Programs	071183-C2S1-2008	84.298	51	
	071183-C2S1-2009		46	
Total			97	
Total United States Department of Education			34,795	

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2008
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures	Non-Cash Disbursements
UNITED STATES DEPARTMENT OF ENERGY				
(Passed through the Ohio Department of Development)				
Weatherization Assistance for Low-Income Persons	D07-136	81.042	12,897	
	D08-136		41,500	
Total United States Department of Energy			54,397	
UNITED STATES DEPARTMENT OF AGRICULTURE				
(Passed through the Ohio Department of Education)				
Nutrition Cluster:				
School Breakfast Program	140285	10.553	4,578	
National School Lunch Program	140285	10.555	7,015	$2,292
Total Nutrition Cluster			11,593	2,292
Total United States Department of Agriculture			11,593	2,292
UNITED STATES DEPARTMENT OF JUSTICE				
(Passed through the Ohio Office of Criminal Justice Services)				
Visitation - Byrne Grant	2007-JG-D01-6440	16.579	33,727	
Total United States Department of Justice			33,727	
Total Federal Assistance			$1,276,168	$2,292

See Accompanying Notes to the Schedule of Federal Awards Expenditures.

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DONATION PROGRAM

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

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County (passed through the Ohio Department of Development). The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. There were no such loans issued during 2008.

The activity in the CDBG revolving Loan fund during 2008 is as follows:

Revolving Loans	Loans Receivable	Cash Balance
Beginning Balance	$122,279	$ 7,646
Loan Repayment Receipts	(13,512)	13,512
Loan Interest Repayment Receipts		2,233
Application Fee Receipts		50
Mircro enterprise loan funding **1**		22,300
Loan Disbursements **1**	22,300	(22,300)
Administration		(2,035)
Ending Balances	$131,067	$21,406

As of December 31, 2008 -	
Delinquent amounts	$61,385
Defaulted loans	4,560

1 - This was a microenterprise loan provided through the CDBG grant project B-F-07-074-1.

These loans are collateralized by personal property and business assets.

NOTE D - MATCHING REQUIREMENTS

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

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Mary Taylor, CPA
Auditor of State

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

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County), as of and for the year ended December 31, 2008 which collectively comprise the County's basic financial statements and have issued our report thereon dated August 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of the Thomas Edison Center, a discretely presented component unit, in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards* and accordingly this report does not extend to that discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

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

We did note certain internal control matters that we reported to the County's management in a separate letter dated August 20, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the County's management in a separate letter dated August 20, 2009.

We intend this report solely for the information and use of the audit committee, management, County Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 20, 2009

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

Compliance

We have audited the compliance of Van Wert County, (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 apply to each of its major federal programs for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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.

As described in findings 2008-001 through 2008-003 in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding procurement and reporting, applying to its Low Income Home Energy Assistance Grant. Compliance with these requirements is necessary, in our opinion, for the County to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, Van Wert County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2008.

The results of our auditing procedures also disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying schedule of findings and questioned costs as items 2008-004 through 2008-008.

In a separate letter to the County's management dated August 20, 2009, we reported a matter related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that the County's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 2008-001 through 2008-003 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider findings 2008-001 through 2008-003 to be material weaknesses.

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

We intend this report solely for the information and use of the audit committee, management, County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 20, 2009

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Low Income Home Energy Assistance – CFDA# 93.568 Medical Assistance Program – CFDA# 93.778
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	**2008-001**
CFDA Title and Number	CFDA #93.568 – Low Income Home Energy Assistance Grant
Federal Award Number / Year	08-HE-253, 09-HE-253, H08-136, and 08-HC-253
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness - Procurement

45 CFR Subpart C, Section 92.36 (b)(1) states that grantees and sub grantees will use their own procurement procedures which reflect applicable State and local laws and regulations provided that the procurements conform to the applicable Federal law and the standards identified in this section.

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

Further, contracts and orders for expenditures lacking prior certification should be considered null and void and no warrant shall be issued in payment of any amount due thereon. There are several exceptions to the standard requirement stated above that an auditor's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate –** If the auditor can certify that both at the time that the contract or order was made ("then"), and at the time that the auditor is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the County can authorize the drawing of a warrant for the payment of the amount due. The County has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than $100 may be paid by the Auditor without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

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

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

Proper certification was not obtained from the fiscal officer for 5 of the 25, or 20 percent of the transactions tested. Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

Finding Number	**2008-001 (Continued)**

To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the Grant Coordinator should prepare and submit the necessary paperwork prior to entering into an obligation so that the County Auditor can certify that the funds are or will be available prior to obligation. When prior certification is not possible, "then and now" certification should be used, however care should be exercised to assure that the then and now process is used for exceptions rather than on a routine basis.

Officials Response:

At time of grant award, Purchase Orders will be prepared for routine line items and vendor specific contracts/payments. Expenditures will be tracked, as made, on the applicable Purchase Order to assure that another Purchase Order can be prepared as needed.

Finding Number	**2008-002**
CFDA Title and Number	CFDA #93.568 – Low Income Home Energy Assistance Grant
Federal Award Number / Year	H07-136, H08-136, 08-HA-153, and 09-HA-153
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness - Reporting

Ohio Department of Development Grant Agreements, OCS Form 212, 213, 215 and any other monthly request for reimbursement are due the 10th of each subsequent month. The grant agreements also outline the filing deadlines for the final performance reports. The following required monthly reports were filed from two to five months late:

H07-136 – March report filed 06/27/08
H08-136 – April report filed 08/07/08
H08-136 – September through December 2008 reports filed in February 2009
08-HA-153 – April report filed 07/01/08
09-HA-153 – September through December 2008 reports filed in January 2009

The final performance report for 08-HA-153 was due November 10, 2008, but was not filed until February 11, 2009 and the final performance report for H07-136 was due June 10, 2008, but was not filed until July 17, 2008. The failure to comply with the reporting requirements per the Ohio Department of Development Rules and Regulations and grant agreements could result in the loss of or limited grant funding.

The monthly requests for reimbursement should be filed by the 10th of the following month in order to receive timely reimbursement for the expenditures incurred in the previous month. The final performance reports should be filed by the required date in order to receive the final draw request or the timely repayment to the grantor of any unused funds.

Officials Response:

Beginning in July, 2009, bi-weekly meetings are held with the County Commissioners. Report tracking sheets have been developed, for fiscal and program, for each open grant. Copies of filed reports, and verification of filing, are presented and the status of each is discussed.

Finding Number	**2008-003**
CFDA Title and Number	CFDA #93.568 – Low Income Home Energy Assistance Grant
Federal Award Number / Year	08-HA-153, 09-HA-153, 08-HE-253, 09-HE-253
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness – Reporting

45 CFR Subpart C, 92.20 (a)(2) and (b)(2) states that fiscal control and accounting procedures must be sufficient to permit the tracing of funds to the level of expenditure adequate to establish that such funds have not been used in violation of the restriction and prohibitions of applicable statutes and that identify adequately the source and application of funds for Federally sponsored activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, liabilities, outlays and income and interest.

Receipts and expenditures related to this grant/program were tracked on the County's books; however the various programs and grant years were co-mingled into one fund. Some of the non-payroll expenditures were identified by program in the County appropriation ledger, while the payroll expenditures which relate to the HA programs, were not identified. In addition, the non-payroll expenditures, in some instances, were not charged to the program identified in the County's appropriation ledger. Copies of the vouchers had been maintained in file folders by the month in which they were reported, with a hand-written spreadsheet for payroll and fringes, but subsidiary ledgers were not maintained that listed the revenues and expenditures charged to each program, nor was a program balance available at any given point in time.

The failure to maintain adequate records and comply with the reporting requirements per the Ohio Department of Development Rules and Regulations and grant agreements could result in the loss of, or limited grant funding.

Separate subsidiary ledgers should be maintained for each program and should be updated, at a minimum, on a monthly basis. These records should contain the receipts, payroll and non-payroll expenditures and the current available balance by program. The subsidiary ledgers for these programs should be reconciled to the appropriate fund per the County's revenue and appropriation ledger on a monthly basis.

Officials Response:

Grant Management System software has been downloaded from the Ohio Department of Development website and a T/TA visit requested to help set up the accounting system. In addition, as no response has yet been received for a T/TA visit, a consultant will be providing another software system to review. Both accounting systems can be set up to do subsidiary ledgers for each program, also providing grant/service balances and cash balances. The consultant is also able to assist in the record keeping/data entry and reconciliation with County records, as needed.

Finding Number	**2008-004**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BW-05-074-1; BF-07-074-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance – Allowable Costs/Cost Principles and Period of Availability

2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments (formerly known as OMB Circular A-87)*, Appendix A (C)((1)(b) and (d) require costs be allocable to Federal awards under the provisions of 2 CFR Part 225 and conform to any limitations or exclusions Federal laws, terms and conditions of the federal award or other governing regulations as to types or amounts of cost items.

In the year 2007, Finding Number 2007-003 presented questioned costs against the Home Investment Partnership Program (HOME) CFDA# 14.239 for Federal Award B-C-04-074-2 because the expenditures were not made within the period of availability. These costs were reviewed by the Ohio Department of Development (ODOD), and a portion was designated as disallowed costs.

Because the HOME and the Community Development Block (CDBG) grants were comingled in one fund, and as a result of the lack of adequate accounting records, by grant and program, the cash balances of those funds were not readily available. It was determined that the HOME grant balance was depleted prior to the payment being made from this fund to repay the disallowed costs; therefore, the CDBG fund repaid the disallowed costs of the HOME grant.

The allowable cost principles do not provide for the repayment of federal disallowed costs with federal funds. Therefore, we consider the amount paid from the CDBG fund to repay the disallowed costs of the HOME grant in the amount of $26,460 to be questioned costs.

Since the payment was made to the ODOD for the disallowed costs, the County should consider an agreement with ODOD to reimburse the CDBG fund from the General fund.

Officials' Response

The establishment of grant program subsidiary ledgers will readily provide cash balances by grant program and grant activity. A part of the report tracking sheets includes each grant number and grant period. This is also reviewed in the bi-weekly meetings held with the County Commissioners.

Finding Number	**2008-005**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BF-05-074-1, BF-06-074-1 BF-07-074-1, BC-04-074-1, and BW-05-074-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance - Reporting

Ohio Department of Development Grant Agreements, BC-04-074-1, BF-05-074-1, BF-06-074-1, BF-07-074-1, and BW-05-074-1 Attachment C states grantees shall submit to Grantor a Status Report beginning six months after the effective date of the Agreement and the grantee shall submit a Final Performance Report at the conclusion of the program which is the subject of this Agreement. The Status Report is used to report the funds disbursed to date by project and activity number.

Finding Number	2008-005 (Continued)

The effective date of the BC-04-074-1 agreement was September 1, 2004. The grant period ended August 31, 2007 and the required date for filing of the Final Performance Report for grant BC-04-074-1 was October 31, 2007. The Final Performance Report was not prepared and submitted and unexpended funds were not returned until May 29, 2008.

The effective date of the BF-05-074-1 agreement was September 1, 2005. The grant period ended August 31, 2007 and the required date for filing of the Final Performance Report for grant BF-05-074-1 was October 31, 2007. The Final Performance Report was not prepared and submitted and unexpended funds were not returned until May 29, 2008.

The effective date of the BF-06-074-1 agreement was September 1, 2006. The Status Report that was to be submitted on March 1, 2008, was not prepared and submitted until May 29, 2008. The grant period ended June 30, 2008 and the required date for filing of the Final Performance Report for grant BF-06-074-1 was August 31, 2008. The Final Performance Report was not prepared and submitted until October 27, 2008.

The effective date of the BF-07-074-1 agreement was September 1, 2007. The Status Report that was to be submitted on March 1, 2008, was not prepared and submitted until May 29, 2008. The Status Report that was to be submitted on September 1, 2008, was not prepared and submitted until January 30, 2009.

The effective date of the BW-05-074-1 agreement was January 1, 2006. The grant period ended September 30, 2008 and the required date for filing of the Final Performance Report for grant B-W-05-074-1 was November 30, 2008. The Final Performance Report was not prepared and submitted and unexpended funds were not returned March 17, 2009.

Failure to comply with grant agreements could lead to unallowed costs or loss of grant funding. Grant award letters and grant agreements should be carefully reviewed to determine that the grant requirements are understood and met.

Procedures should be implemented by the County Grant Coordinator and Commissioners to monitor Ohio Department of Development reporting deadlines. The Status Reports should be prepared and filed by the required dates and accurately reflect the actual expenditures incurred. In addition, the amounts reported should be reconciled to the amounts reported on the County's financial accounting system.

Officials Response:

Beginning in July, 2009, bi-weekly meetings are held with the County Commissioners. Report tracking sheets have been developed, for fiscal and program, for each open grant. Copies of filed reports and verification of filing are presented and the status of each is discussed. Subsidiary ledgers will be reconciled to the County records and used for reporting.

Finding Number	**2008-006**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BF-05-074-1, BF-06-074-1 BF-07-074-1, BF-08-074-1, BC-04-074-1, and BW-05-074-1
CFDA Title and Number	CFDA #14.239 – Home Investment Partnership Program
Federal Award Number / Year	BC-04-074-2
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Finding Number	**2008-006 (Continued)**

Noncompliance - Reporting

Ohio Department of Development, Office of Housing and Community Partnerships Financial Management Rules and Regulations, Section (A)(1) (Required Financial Records) states that Grantees must establish financial records and financial management and recordkeeping systems that are in accordance with state and federal guidelines (24 CFR Subpart C, Section 85.20). Records must be maintained by activity as awarded on the Attachment A of the grant agreement or as later amended. Required records include:

a. General Ledger: This ledger must be maintained to summarize cash receipts and disbursements on an activity basis.

b. Cash Receipts Journal: This journal must be maintained to record the receipt of all funds (local, state, and federal) used for program activities. The journal must include the date funds were received, the amount of funds received, the source of funds, and the activities for which the funds were received.

c. Cash Disbursements Journal: This journal must be maintained to record checks issued for payment of program costs. It must include the date of payment, the payee, check number, amount, and the activity which the disbursement was made against.

The Grant Coordinator provided subsidiary accounting records for each activity as indicated above to facilitate the preparation of the Required Financial Reports throughout the 2008 grant audit period; however, the subsidiary accounting records were not prepared timely and were found to be inaccurate. All grant activity for the Community Development Block Grant and the Home Investment Partnership Program (which the only activity was a repayment of unexpended funds to the Ohio Department of Development) was recorded in one fund within the County's accounting system. Upon request the Grant Coordinator completed a set of ledgers; however, they did not include all of the required financial reports.

The failure to comply with the reporting requirements per the Ohio Department of Development Rules and Regulations could result in a loss of grant funding.

Separate accounting records should be maintained by the grant coordinator to facilitate the preparation of the Required Financial Reports for the Community Development Block Grant and the Home Investment Partnership Program as stated in the Financial Management Rules and Regulations. The Ohio Department of Development has provided software which should be utilized by the County to produce computer generated reports. Reports should be prepared on a timely basis and reconciled monthly with the County's accounting system records.

Officials Response:

Subsidiary ledgers will be developed, through the assistance of an ODOD T/TA visit or the consultant. Subsidiary ledgers will be provided by grant and activity within each grant. Cash receipt journal, cash disbursement journal, and general ledgers will be provided for each grant with data entered monthly, at a minimum, to facilitate monthly balancing with the County records.

Finding Number	**2008-007**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BW-05-074-1, BF-06-074-1, and BF-07-074-1
CFDA Title and Number	CFDA #14.239 – Home Investment Partnership Program
Federal Award Number / Year	BC-04-074-2
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Finding Number	**2008-007 (Continued)**

Noncompliance - Cash Management

Ohio Department of Development, Office of Housing and Community Partnerships Financial Management Rules and Regulations, Section (A)(3)(f) (Cash Management) states, in part, that the Grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than $5,000 within fifteen days of receipt of any funds.

As of January 1, 2008, CDBG grant BW-05-074-1 had a balance of $85,887. The County maintained a balance in excess of $40,000 throughout the year and as of December 31, 2008, the grant retained a balance of $44,831.

As of January 1, 2008, CDBG grant BF-06-074-1 had a balance of $24,945, the County maintained a balance in excess of $20,000 during the months of January 2008 through April 2008.

In addition, on July 22, 2008, the County received $49,400 and on November 12, 2008 the County received $67,400 for CDBG grant BF-07-074-1, the County maintained a balance in excess of $14,000 during the months of July 2008 through December 2008.

On January 1, 2008, the HOME grant had a balance of $83,848, which was not properly refunded to the State until May 29, 2008.

The failure to comply with the cash management requirements per the Ohio Department of Development Rules and Regulations could result in a loss of grant funding.

A cash management system should be developed to monitor the fifteen day rule regarding the prompt disbursement of funds. Requests for Payments should be submitted for current cash needs. Procedures should be established to monitor the receipts, disbursements, and balances of the Community Development Block Grant and the Home Investment Partnerships Program funds to avoid excessive federal fund cash balances.

Officials Response:

The subsidiary ledgers will be prepared monthly, for balancing with the County records, for each grant, readily providing cash balances for monitoring the 15 day rule.

Finding Number	**2008-008**
CFDA Title and Number	CFDA #14.239 – Home Investment Partnerships Program
Federal Award Number / Year	BC-04-074-2
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance - Reporting

Ohio Department of Development Grant Agreement, BC-04-074-2, Attachment C(2) states the grantee shall submit a Final Performance Report at the conclusion of the program which is the subject of this agreement.

The required date for filing of the Final Performance Report for grant BC-04-074-2 was October 31, 2007. The Final Performance Report had not been prepared and submitted and the unexpended fund balance returned until May 29, 2008.

Finding Number	**2008-008 (Continued)**

The failure to comply with the reporting requirements per the grant agreement could result in a loss of grant funding.

Procedures should be implemented by the County Grant Coordinator and Commissioners to monitor Ohio Department of Development reporting deadlines. The County should prepare and file the final Performance Report by the required date. In addition, the amounts reported should be reconciled to the amounts reported on the County's financial accounting system.

Officials Response:

Beginning in July, 2009, bi-weekly meetings are held with the County Commissioners. Report tracking sheets have been developed, for fiscal and program, for each open grant. Copies of filed reports are presented. Subsidiary ledgers, by grant, fiscal and activity, will be reconciled monthly to County records and used for reporting.

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2007-001	Questioned Cost – Period of Availability Community Development Block Grant - CFDA #14.228	No	Amount under $10,000; reported to management of the county in a separate letter.
2007-002	Questioned Cost – Period of Availability Community Development Block Grant - CFDA #14.228	Yes	
2007-003	Questioned Cost – Period of Availability Home Investment Partnership Program - CFDA #14.239	No	See Finding 2008-004 This finding was reported in the prior audit as a questioned cost under the HOME program and was reissued under the CDBG program due to CDBG funds being used to cover the HOME disallowed costs.
2007-004	Questioned Cost – Allowable Costs/Cost Principles - Home Investment Partnership Program - CFDA #14.239	Yes	
2007-005	Ohio Department of Development Grant Agreements – Attachment C CDBG – Reporting: Status reports not submitted timely	No	Repeated as Finding 2008-005 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator.
2007-006	24 CFR Part 85.36(b)(1) CDBG – Procurement	Yes	
2007-007	Ohio Department of Development Rules and Regulations Section (A) CDBG – Reporting: Financial Records	No	Repeated as Finding 2008-006 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator
2007-008	Ohio Department of Development Rules and Regulations Section (A)(3)(f) Cash Management	No	Repeated as Finding 2008-007 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator
2007-009	Ohio Department of Development Rules and Regulations Section (C)(2) HOME - Reporting	No	Repeated as Finding 2008-008 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2008
(**Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2007-010	24 CFR Subpart C, 92.36(b)(1): HOME – Procurement	No	Repeated as Finding 2008-001 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator
2007-011	Ohio Department of Development Agreements – Exhibit III HEAP – Reporting: Monthly reports	No	Repeated as Finding 2008-002 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator
2007-012	45 CFR Subpart C, 92.20(a)(2),(b)(2) HEAP – Reporting: Financial Records	No	Repeated as Finding 2008-003 This finding was reported in 2007 and is being repeated due to corrective action not being taken by the grant coordinator

FINANCIAL CONDITION
VAN WERT COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (C)
DECEMBER 31, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2008-001	Prepare Purchase Orders for routine line items and vendor specific contracts/payments at time of grant award or contract award.	12/31/09	Nancy Blanke
2008-002	Bi-weekly meetings with County Commissioners for monitoring of reporting began in July 2009 and will continue at least throughout the remainder of the calendar year.	12/31/09	Nancy Blanke
2008-003	Grant Management System software has been downloaded from ODOD's website and a T/TA visit requested for assistance with set-up. A consultant is also providing a financial and activity program.	12/31/09	Nancy Blanke
2008-004	Subsidiary grant and activity ledgers to be developed and will readily provide cash balances for monitoring. The report tracking includes monitoring of grant periods.	12/31/09	Nancy Blanke
2008-005	Bi-weekly meetings are being held with County Commissioners for monitoring of reporting. Subsidiary ledgers, by grant and activity, will be reconciled with County records monthly and utilized for reporting.	12/31/09	Nancy Blanke
2008-006	Subsidiary ledgers will be prepared by grant and activity and reconciled monthly to County records. Bi-weekly monitoring of reporting will be done by meeting with County Commissioners	12/31/09	Nancy Blanke
2008-007	Subsidiary ledgers will be prepared, at least monthly, for balancing with County records, for each grant, and will provide cash balances for monitoring of the 15 day rule.	12/31/09	Nancy Blanke
2008-008	Bi-weekly meetings are being held with County Commissioners for monitoring of reporting. Subsidiary ledgers, by grant and activity, will be reconciled with County records monthly and used for reporting.	12/31/09	Nancy Blanke

Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

VAN WERT 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
SEPTEMBER 22, 2009

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