



*MEIGS COUNTY, OHIO*

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**SINGLE AUDIT**

**For the Year Ended December 31, 2012**

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

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



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# Dave Yost • Auditor of State

Board of Commissioners  
Meigs County  
100 East Second Street  
Pomeroy, Ohio 45769

We have reviewed the *Independent Auditor's Report* of Meigs County prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

July 17, 2013

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**MEIGS COUNTY, OHIO**  
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**For the Year Ended December 31, 2012**

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## Independent Auditor's Report

County Commissioners  
Meigs County, Ohio  
100 East Second Street  
Pomeroy, Ohio 45769

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Meigs County, Ohio, (the County) as of and for the year ended December 31, 2012, and related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis accounting as described in Note 2; this includes determining that the cash basis of accounting is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Meigs Industries, Inc., which is included as a discrete presentation in the County's financial statements. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for Meigs Industries, Inc., is based solely on the report of 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2012, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, MCBDD Fund, Job and Family Services Fund, Real Estate Assessment Fund, and Auto License and Gas Fund thereof for the year then ended in conformity with the accounting basis Note 2 describes.

***Accounting Basis***

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

***Emphasis of Matter***

As described in Note 15, during 2012 the County adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Supplemental and Other Information***

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

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

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in the Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2013 on our consideration of the Meigs County, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Meigs County, Ohio's internal control over financial reporting and compliance.

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

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

June 7, 2013

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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The discussion and analysis of Meigs County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2012, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements that begin on page 11 and notes to the basic financial statements which begin on page 23.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

*Overall:*

Total net position increased \$522,078 due to governmental activities increasing \$522,078.

Total cash receipts were \$20,212,838 in 2012.

Total cash disbursements were \$19,690,760 in 2012.

*Governmental Activities:*

Total program cash receipts were \$14,210,055 in 2012 while program disbursements were \$19,278,056.

Program cash disbursements were primarily composed of Human Services and Public Works which were \$6,502,769 and \$4,268,698, respectively, in 2012.

All governmental funds had total cash receipts and other financing sources of \$20,091,698 and cash disbursements and other financing uses of \$19,569,620.

*Business-Type Activities:*

Program cash disbursements were \$412,704 for business-type activities, while program cash receipts were \$0. Proceeds from loans amounted to \$412,704 during 2012.

**Using this Basic Financial Report**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The *Statement of Net Position-Cash Basis* and *Statement of Activities-Cash Basis* provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Meigs County, the General Fund, MCBDD, Job and Family Services, Real Estate Assessment, and the Auto License and Gas Special Revenue Funds are the most significant funds and have been presented as major funds.

***Reporting the County as a Whole***

***The County's Reporting Entity Presentation***

This annual report includes all activities for which Meigs County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and one other separate legal entity that is presented as a component unit. The primary government consists of Meigs County. The component unit presentation includes the following separate legal entity, Meigs Industries, Inc., which is discussed further in Note 1 to the basic financial statements.

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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*Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's *net position* and changes in that position. This change in net position is important because it tells the reader whether, for the County as a whole, the *cash basis financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

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

In the statement of net position and the statement of activities, the County is divided into three distinct kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, other, capital outlay, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment program is reported as business-type activities.

Component Unit Activities – Although Meigs Industries, Inc. is a separate legal entity, the County includes their activities since the County is financially accountable for this entity.

***Reporting the County's Most Significant Funds***

*Fund Financial Statements*

The analysis of the County's governmental funds begins on page 8. Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the General Fund, MCBDD, Job and Family Services, Real Estate Assessment, and Auto License and Gas Special Revenue Funds.

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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

**Proprietary Funds** The County's proprietary funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

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

Agency funds are custodial in nature and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

**The County as a Whole**

Recall that the Statement of Net Position – Cash Basis provides the perspective of the County as a whole. Table 1 provides a comparative summary of the County's net position for 2012 as compared to 2011:

The increase in Equity in Pooled Cash and Cash Equivalents from the prior year is due to cash receipts exceeding cash disbursements.

Table 1  
 Net Position/Cash Basis

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<i>Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$5,167,907	\$4,645,829	\$-	\$-	\$5,167,907	\$4,645,829
Total Assets	5,167,907	4,645,829	-	-	5,167,907	4,645,829
<i>Net Position</i>						
Restricted	4,849,101	4,315,189	-	-	4,849,101	4,315,189
Unrestricted	318,806	330,640	-	-	318,806	330,640
Total Net Position	\$5,167,907	\$4,645,829	\$-	\$-	\$5,167,907	\$4,645,829

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

Table 2 shows changes in net position for 2012 as compared to 2011.

	Table 2 Changes in Net Position/Cash Basis					
	Governmental		Business-Type		Totals	
	2012	2011	2012	2011	2012	2011
<i>Cash Receipts</i>						
<i>Program Cash Receipts</i>						
Charges For Services	\$ 3,500,104	\$ 3,478,501	\$ -	\$ -	\$ 3,500,104	\$ 3,478,501
Operating Grants and Contributions	10,452,482	12,113,262	-	-	10,452,482	12,113,262
Capital Grants and Contributions	257,469	-	-	-	257,469	-
<b>Total Program Cash Receipts</b>	<b>14,210,055</b>	<b>15,591,763</b>	<b>-</b>	<b>-</b>	<b>14,210,055</b>	<b>15,591,763</b>
<i>General Cash Receipts</i>						
Property Taxes	2,947,962	2,936,711	-	-	2,947,962	2,936,711
Sales Taxes	1,496,476	1,318,296	-	-	1,496,476	1,318,296
Grants and Entitlements not Restricted to Specific Programs	783,182	860,696	-	-	783,182	860,696
Interest Receipts	30,810	98,737	-	-	30,810	98,737
Proceeds from Loans	105,416	357,918	412,704	-	518,120	357,918
Miscellaneous	226,233	451,712	-	-	226,233	451,712
<b>Total General Cash Receipts</b>	<b>5,590,079</b>	<b>6,024,070</b>	<b>412,704</b>	<b>-</b>	<b>6,002,783</b>	<b>6,024,070</b>
<b>Total Cash Receipts</b>	<b>19,800,134</b>	<b>21,615,833</b>	<b>412,704</b>	<b>-</b>	<b>20,212,838</b>	<b>21,615,833</b>
<i>Cash Disbursements</i>						
<i>Program Cash Disbursements</i>						
<i>General Government</i>						
Legislative and Executive	1,944,376	1,864,107	-	-	1,944,376	1,864,107
Judicial	1,071,728	1,159,331	-	-	1,071,728	1,159,331
Public Safety	1,713,837	1,951,052	-	-	1,713,837	1,951,052
Public Works	4,268,698	5,197,004	-	-	4,268,698	5,197,004
Health	1,810,465	2,052,212	-	-	1,810,465	2,052,212
Human Services	6,502,769	7,114,312	-	-	6,502,769	7,114,312
<i>Community and Economic</i>						
Development	477,237	176,638	-	-	477,237	176,638
Other	773,162	699,008	-	-	773,162	699,008
Capital Outlay	90,667	410,279	-	-	90,667	410,279
<i>Debt Service:</i>						
Principal Retirement	598,540	276,973	-	-	598,540	276,973
Interest and Fiscal Charges	26,577	18,930	-	-	26,577	18,930
Sewer	-	-	412,704	-	412,704	-
<b>Total Cash Disbursements</b>	<b>19,278,056</b>	<b>20,919,846</b>	<b>412,704</b>	<b>-</b>	<b>19,690,760</b>	<b>20,919,846</b>
<b>Change In Net Position</b>	<b>522,078</b>	<b>695,987</b>	<b>-</b>	<b>-</b>	<b>522,078</b>	<b>695,987</b>
<i>Net Position at Beginning of Year</i>	4,645,829	3,949,842	-	-	4,645,829	3,949,842
<b>Net Position at End of Year</b>	<b>\$ 5,167,907</b>	<b>\$ 4,645,829</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,167,907</b>	<b>\$ 4,645,829</b>

Operating Grants and Contributions decreased due to decreases in Ohio Public Works Commission, Syracuse Water and Sewer, Job and Family Services, and Auto License and the Gas program, which was partially offset by an increase in the MCBDD program. Capital Grants and Contributions increased due to an increase in intergovernmental receipts in the ARRA Energy Renovating grant fund. Sales tax increased due to an increase in the rate from 6.5% to 7.0%. Proceeds of Loans increased due primarily to the loans associated with the purchase of the Rutland Sewer System. Miscellaneous cash receipts decreased due to efforts by the County to classify revenues previously recorded as miscellaneous.

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

The decrease in public safety disbursements were primarily due to decreased funding in the Prosecutor's Task Force and Reclaim Subsidy grant programs. Public works decreased as a direct result of decreased spending in the Syracuse Water and Sewer and Ohio Public Works Commission programs. The decrease in health disbursements was due primarily to a decrease in intergovernmental receipts. The increase in community and economic development disbursements were primarily due to increased spending in the Housing Preservation, Syracuse Water and Sewer, and Rural Housing Preservation programs. Capital outlay decreased as a result of decreased capital projects expenditures in governmental funds. The increase in principal disbursements was due to the use of ARRA Energy Renovating program receipts to pay down on existing debt.

Property taxes made up 15 percent of cash receipts for governmental activities for Meigs County in 2012. Operating grants and contributions made up 53 percent, charges for services and sales made up 18 percent, and sales taxes made up 8 percent of cash receipts for governmental activities for the County.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The County's tax receipts, intergovernmental monies, and other general revenues provided 28 percent of total cash receipts. Charges for services and sales and operating and capital grants and contributions provided the other 72 percent of the receipts used to support the County's governmental activities. The taxpayers (through sales and property taxes) and the State of Ohio, as a whole, provide the vast majority of resources for Meigs County. Table 3 below shows the total and net cost of services (on a cash basis) for the County.

Table 3  
Total Cost of Program Services

	2012		2011	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
<b>Governmental Activities</b>				
General Government				
Legislative and Executive	\$ 1,944,376	\$ 1,398,749	\$ 1,864,107	\$ 1,366,531
Judicial	1,071,728	621,313	1,159,331	627,871
Public Safety	1,713,837	693,003	1,951,052	759,604
Public Works	4,268,698	457,534	5,197,004	434,715
Health	1,810,465	263,874	2,052,212	346,406
Human Services	6,502,769	725,192	7,114,312	718,888
Community and Economic Development	477,237	41,666	176,638	12,844
Other	773,162	423,625	699,008	365,351
Capital Outlay	90,667	(166,802)	410,279	410,279
Debt Service				
Principal Retirement	598,540	598,540	276,973	276,973
Interest and Fiscal Charges	26,577	11,307	18,930	8,621
Total Cash Disbursements				
- Governmental Activities	<u>\$ 19,278,056</u>	<u>\$ 5,068,001</u>	<u>\$ 20,919,846</u>	<u>\$ 5,328,083</u>
<b>Business-Type Activities</b>				
Sewer	<u>\$ 412,704</u>	<u>\$ (412,704)</u>	<u>\$ -</u>	<u>\$ -</u>
Total Cash Disbursements				
- Business-Type Activities	<u>\$ 412,704</u>	<u>\$ (412,704)</u>	<u>\$ -</u>	<u>\$ -</u>

**Business-Type Activities**

Business-type activities include wastewater treatment services. Program cash disbursements were due to the purchase of the Rutland Sewer System, there were no program cash receipts during 2012.

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

***The County's Funds***

Information about the County's governmental funds starts on page 13. These funds are accounted for using the cash basis of accounting. The General Fund cash balance went from \$330,640 in 2011 to \$338,456 for 2012 primarily due to receipts exceeding disbursements. The Job and Family Services Fund cash balance went from \$143,753 in 2011 to \$98,509 for 2012. The Auto License and Gas Fund cash balance increased \$106,746, while the MCBDD Fund and the Real Estate Assessment Fund increased \$427,286 and \$127,683, respectively. These factors along with increases in the other funds resulted in total governmental fund cash balances increasing \$522,078.

***General Fund Budgeting Highlights***

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. For the General Fund, final budget basis receipts and other financing sources were \$4,273,723, which was \$282,563 above original budget estimates of \$3,991,160. Of this difference, significant increases were made to taxes and charges for services receipts as a result of higher than original expected receipts. Actual receipts and other financing sources were above final budgeted estimates in the amount of \$182,802. Of this difference, \$74,678 and \$60,000 represent tax receipts and transfers received in excess of final budgeted estimates, which were the most significant variances. Final estimated disbursements for public safety increased over original estimates in the amount of \$316,485 due to an increase in salaries and benefits of the sheriff's department. Total actual cash receipts and other financing sources were \$34,231 more than disbursements and other financing uses on the budget basis (cash outlays plus encumbrances).

***Capital Assets and Debt Administration***

**Capital Assets**

The County does not record capital assets in the accompanying basic financial statements, but does record payments for capital assets as disbursements. The County had capital outlay disbursements of \$90,667 during 2012.

**Debt**

Under the cash basis of accounting the County does not report bonds or long-term loans in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds and long-term loans. At December 31, 2012, the County had \$173,202 and \$412,704 in long-term loans outstanding for governmental and business-type activities respectively.

Table 4 summarizes bonds and other long-term obligations outstanding for Governmental Activities:

Table 4		
Outstanding Debt at December 31		
Governmental Activities		
	2012	2011
	<u>          </u>	<u>          </u>
Other Loans	\$ 173,202	\$ 666,326
Totals	<u>\$ 173,202</u>	<u>\$ 666,326</u>
Business-Type Activities		
OWDA Loan	\$ 412,704	\$ -
Total Business-Type Activities	<u>\$ 412,704</u>	<u>\$ -</u>

For additional information regarding debt, please see Note 9 to the basic financial statements.

**Meigs County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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**Current Financial Related Activities**

As the preceding information shows, the County heavily depends on its property taxes, sales tax and intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mary Byer-Hill, County Auditor at Meigs County, 100 East Second Street, Pomeroy, Ohio 45769, or email at [meigsauditor@suddenlinkmail.com](mailto:meigsauditor@suddenlinkmail.com).

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**Meigs County, Ohio**  
*Statement of Net Position - Cash Basis*  
*As of December 31, 2012*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Meigs Industries, Inc.
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,167,907	\$ -	\$ 5,167,907	\$ 96,931
<i>Total Assets</i>	<u>5,167,907</u>	<u>-</u>	<u>5,167,907</u>	<u>96,931</u>
<b>NET POSITION:</b>				
Restricted for Debt Service	27,680	-	27,680	-
Restricted for Capital Outlay	123,151	-	123,151	-
Restricted for MCBDD	989,384	-	989,384	-
Restricted for Job and Family Services	98,509	-	98,509	-
Restricted for Real Estate Assessment	608,931	-	608,931	-
Restricted for Auto License and Gas	783,017	-	783,017	-
Restricted for Children Services	280,098	-	280,098	-
Restricted for Child Support Enforcement	280,263	-	280,263	-
Restricted for Other Purposes	1,658,068	-	1,658,068	-
Unrestricted	<u>318,806</u>	<u>-</u>	<u>318,806</u>	<u>96,931</u>
<i>Total Net Position</i>	<u>\$ 5,167,907</u>	<u>\$ -</u>	<u>\$ 5,167,907</u>	<u>\$ 96,931</u>

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

**Meigs County, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2012*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position			Component Unit
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Meigs Industries, Inc.
<b>Governmental Activities:</b>								
<b>General Government:</b>								
Legislative and Executive	\$ 1,944,376	\$ 377,766	\$ 167,861	\$ -	\$ (1,398,749)	\$ -	\$ (1,398,749)	\$ -
Judicial	1,071,728	203,021	247,394	-	(621,313)	-	(621,313)	-
Public Safety	1,713,837	508,310	512,524	-	(693,003)	-	(693,003)	-
Public Works	4,268,698	738,551	3,072,613	-	(457,534)	-	(457,534)	-
Health	1,810,465	315,665	1,230,926	-	(263,874)	-	(263,874)	-
Human Services	6,502,769	1,126,060	4,651,517	-	(725,192)	-	(725,192)	-
Community and Economic Development	477,237	82,240	353,331	-	(41,666)	-	(41,666)	-
Other	773,162	145,608	203,929	-	(423,625)	-	(423,625)	-
Capital Outlay	90,667	-	-	257,469	166,802	-	166,802	-
<b>Debt Service:</b>								
Principal Retirement	598,540	-	-	-	(598,540)	-	(598,540)	-
Interest and Fiscal Charges	26,577	2,883	12,387	-	(11,307)	-	(11,307)	-
<b>Total Governmental Activities</b>	<b>19,278,056</b>	<b>3,500,104</b>	<b>10,452,482</b>	<b>257,469</b>	<b>(5,068,001)</b>	<b>-</b>	<b>(5,068,001)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Rutland Sewer	412,704	-	-	-	-	(412,704)	(412,704)	-
<b>Total Business-Type Activities</b>	<b>412,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(412,704)</b>	<b>(412,704)</b>	<b>-</b>
<b>Component Unit:</b>								
Meigs Industries, Inc.	294,431	261,160	-	-	-	-	-	(33,271)
<b>Total Component Unit</b>	<b>294,431</b>	<b>261,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,271)</b>
<b>Totals</b>	<b>\$ 19,985,191</b>	<b>\$ 3,761,264</b>	<b>\$ 10,452,482</b>	<b>\$ 257,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ (33,271)</b>
<b>General Cash Receipts</b>								
Property Taxes Levied for:								
General Purposes								
					1,255,575	-	1,255,575	-
					1,089,186	-	1,089,186	-
					603,201	-	603,201	-
Other Purposes								
					1,496,476	-	1,496,476	-
Sales Taxes Levied for General Purposes								
					783,182	-	783,182	-
Grants and Entitlements Not Restricted to Specific Programs								
					226,233	-	226,233	-
					30,810	-	30,810	-
					105,416	412,704	518,120	-
<b>Total General Cash Receipts</b>					<b>5,590,079</b>	<b>412,704</b>	<b>6,002,783</b>	<b>-</b>
<b>Change in Net Position</b>					<b>522,078</b>	<b>-</b>	<b>522,078</b>	<b>(33,271)</b>
<b>Net Position Beginning of Year</b>					<b>4,645,829</b>	<b>-</b>	<b>4,645,829</b>	<b>130,202</b>
<b>Net Position End of Year</b>					<b>\$ 5,167,907</b>	<b>\$ -</b>	<b>\$ 5,167,907</b>	<b>\$ 96,931</b>

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

**Meigs County, Ohio**  
*Statement of Assets and Fund Balances and Receipts,  
Disbursements, and Changes in Fund Balances - Governmental Funds - Cash Basis  
As of and For the Year Ended December 31, 2012*

	General	MCBDD	Job and Family Services
<b>RECEIPTS:</b>			
Taxes	\$ 2,752,051	\$ 1,089,186	\$ -
Charges for Services	879,649	-	612,110
Licenses and Permits	1,551	-	-
Fines and Forfeitures	131,484	-	-
Intergovernmental	578,852	1,360,974	2,520,890
Interest	27,558	-	-
Other	80,186	26,661	-
	<u>4,451,331</u>	<u>2,476,821</u>	<u>3,133,000</u>
<i>Total Receipts</i>			
<b>DISBURSEMENTS:</b>			
Current:			
General Government:			
Legislative and Executive	1,717,649	-	-
Judicial	737,578	-	-
Public Safety	1,021,581	-	-
Public Works	118,578	-	-
Health	147,876	-	-
Human Services	220,053	1,954,535	3,111,844
Community and Economic Development	-	-	-
Other	497,719	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	1,950	-	-
Interest and Fiscal Charges	-	-	-
	<u>4,462,984</u>	<u>1,954,535</u>	<u>3,111,844</u>
<i>Total Disbursements</i>			
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>			
	<u>(11,653)</u>	<u>522,286</u>	<u>21,156</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from Loans	-	-	-
Transfers In	60,000	-	-
Advances In	3,599	-	-
Transfers Out	(44,130)	(95,000)	(66,400)
Advances Out	-	-	-
	<u>19,469</u>	<u>(95,000)</u>	<u>(66,400)</u>
<i>Total Other Financing Sources (Uses)</i>			
<i>Net Change in Fund Balances</i>	7,816	427,286	(45,244)
<i>Fund Balances at Beginning of Year</i>	<u>330,640</u>	<u>562,098</u>	<u>143,753</u>
<i>Fund Balances at End of Year</i>	<u>\$ 338,456</u>	<u>\$ 989,384</u>	<u>\$ 98,509</u>
Assets at End of Year			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 338,456</u>	<u>\$ 989,384</u>	<u>\$ 98,509</u>
<b>FUND BALANCES AT END OF YEAR:</b>			
Nonspendable	\$ 17,141	\$ -	\$ -
Restricted	-	989,384	98,509
Assigned	265,502	-	-
Unassigned	55,813	-	-
	<u>\$ 338,456</u>	<u>\$ 989,384</u>	<u>\$ 98,509</u>
<i>Total Fund Balances</i>			

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

Real Estate Assessment	Auto License and Gas	All Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 603,201	\$ 4,444,438
278,345	-	1,542,423	3,312,527
410	-	2,683	4,644
-	14,301	37,148	182,933
-	3,491,363	3,541,054	11,493,133
-	3,252	-	30,810
1,255	87,654	30,477	226,233
<u>280,010</u>	<u>3,596,570</u>	<u>5,756,986</u>	<u>19,694,718</u>
152,327	-	74,400	1,944,376
-	-	334,150	1,071,728
-	-	692,256	1,713,837
-	3,277,708	872,412	4,268,698
-	-	1,662,589	1,810,465
-	-	1,216,337	6,502,769
-	-	477,237	477,237
-	-	275,443	773,162
-	-	90,667	90,667
-	195,385	401,205	598,540
-	16,731	9,846	26,577
<u>152,327</u>	<u>3,489,824</u>	<u>6,106,542</u>	<u>19,278,056</u>
<u>127,683</u>	<u>106,746</u>	<u>(349,556)</u>	<u>416,662</u>
-	-	105,416	105,416
-	-	227,965	287,965
-	-	-	3,599
-	-	(82,435)	(287,965)
-	-	(3,599)	(3,599)
-	-	247,347	105,416
<u>127,683</u>	<u>106,746</u>	<u>(102,209)</u>	<u>522,078</u>
<u>481,248</u>	<u>676,271</u>	<u>2,451,819</u>	<u>4,645,829</u>
<u>\$ 608,931</u>	<u>\$ 783,017</u>	<u>\$ 2,349,610</u>	<u>\$ 5,167,907</u>
<u>\$ 608,931</u>	<u>\$ 783,017</u>	<u>\$ 2,349,610</u>	<u>\$ 5,167,907</u>
\$ -	\$ -	\$ -	\$ 17,141
608,931	783,017	2,369,260	4,849,101
-	-	-	265,502
-	-	(19,650)	36,163
<u>\$ 608,931</u>	<u>\$ 783,017</u>	<u>\$ 2,349,610</u>	<u>\$ 5,167,907</u>

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements,  
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2012*

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>RECEIPTS:</b>				
Taxes	\$ 2,500,355	\$ 2,677,373	\$ 2,752,051	\$ 74,678
Charges for Services	665,065	712,150	732,013	19,863
Licenses and Permits	1,409	1,509	1,551	42
Fines and Forfeitures	119,459	127,916	131,484	3,568
Intergovernmental	525,912	563,145	578,852	15,707
Interest	25,038	26,810	27,558	748
Other	153,922	164,820	169,417	4,597
<i>Total Receipts</i>	<u>3,991,160</u>	<u>4,273,723</u>	<u>4,392,926</u>	<u>119,203</u>
<b>DISBURSEMENTS:</b>				
General Government:				
Legislative and Executive	1,667,313	1,704,774	1,704,588	186
Judicial	630,069	663,881	660,221	3,660
Public Safety	706,078	1,022,563	1,021,581	982
Public Works	162,678	118,578	118,578	-
Health	140,487	148,672	147,876	796
Human Services	232,410	225,892	225,651	241
Other	419,350	501,248	497,719	3,529
Debt Service:				
Principal Retirement	-	1,950	1,950	-
<i>Total Disbursements</i>	<u>3,958,385</u>	<u>4,387,558</u>	<u>4,378,164</u>	<u>9,394</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>32,775</u>	<u>(113,835)</u>	<u>14,762</u>	<u>128,597</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	60,000	60,000
Transfers Out	(10,000)	(44,130)	(44,130)	-
Advances In	-	-	3,599	3,599
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>(44,130)</u>	<u>19,469</u>	<u>63,599</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	22,775	(157,965)	34,231	192,196
<i>Fund Balance at Beginning of Year</i>	12,665	12,665	12,665	-
<i>Prior Year Encumbrances Appropriated</i>	<u>8,916</u>	<u>8,916</u>	<u>8,916</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 44,356</u>	<u>\$ (136,384)</u>	<u>\$ 55,812</u>	<u>\$ 192,196</u>

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

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements,  
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2012*

	MCBDD Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 898,042	\$ 886,777	\$ 1,089,186	\$ 202,409
Intergovernmental	1,122,133	1,108,057	1,360,974	252,917
Other	21,982	21,707	26,661	4,954
<i>Total Receipts</i>	<u>2,042,157</u>	<u>2,016,541</u>	<u>2,476,821</u>	<u>460,280</u>
DISBURSEMENTS:				
Human Services	2,243,300	2,196,300	1,954,535	241,765
<i>Total Disbursements</i>	<u>2,243,300</u>	<u>2,196,300</u>	<u>1,954,535</u>	<u>241,765</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(201,143)</u>	<u>(179,759)</u>	<u>522,286</u>	<u>702,045</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	(95,000)	(95,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	<u>(201,143)</u>	<u>(274,759)</u>	<u>427,286</u>	<u>702,045</u>
<i>Fund Balance at Beginning of Year</i>	<u>562,098</u>	<u>562,098</u>	<u>562,098</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 360,955</u>	<u>\$ 287,339</u>	<u>\$ 989,384</u>	<u>\$ 702,045</u>

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

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements,  
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2012*

	Job and Family Services Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Charges for Services	\$ 785,212	\$ 612,110	\$ 612,110	\$ -
Intergovernmental	3,233,788	2,520,889	2,520,890	1
<i>Total Receipts</i>	<u>4,019,000</u>	<u>3,132,999</u>	<u>3,133,000</u>	<u>1</u>
DISBURSEMENTS:				
Human Services	3,955,000	3,213,601	3,111,844	101,757
<i>Total Disbursements</i>	<u>3,955,000</u>	<u>3,213,601</u>	<u>3,111,844</u>	<u>101,757</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>64,000</u>	<u>(80,602)</u>	<u>21,156</u>	<u>101,758</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	(48,506)	(66,400)	(17,894)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(48,506)</u>	<u>(66,400)</u>	<u>(17,894)</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	64,000	(129,108)	(45,244)	83,864
<i>Fund Balance at Beginning of Year</i>	<u>143,753</u>	<u>143,753</u>	<u>143,753</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 207,753</u>	<u>\$ 14,645</u>	<u>\$ 98,509</u>	<u>\$ 83,864</u>

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

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements,  
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2012*

	Real Estate Assessment Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Charges for Services	\$ 200,003	\$ 199,805	\$ 278,345	\$ 78,540
Licenses and Permits	295	294	410	116
Other	902	901	1,255	354
<i>Total Receipts</i>	<u>201,200</u>	<u>201,000</u>	<u>280,010</u>	<u>79,010</u>
DISBURSEMENTS:				
General Government:				
Legislative and Executive	157,500	169,500	152,327	17,173
<i>Total Disbursements</i>	<u>157,500</u>	<u>169,500</u>	<u>152,327</u>	<u>17,173</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	43,700	31,500	127,683	96,183
<i>Fund Balance at Beginning of Year</i>	<u>481,248</u>	<u>481,248</u>	<u>481,248</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u><u>\$ 524,948</u></u>	<u><u>\$ 512,748</u></u>	<u><u>\$ 608,931</u></u>	<u><u>\$ 96,183</u></u>

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

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements,  
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2012*

	Auto License and Gas Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Fines and Forfeitures	\$ 13,641	\$ 12,992	\$ 14,301	\$ 1,309
Intergovernmental	3,330,151	3,171,718	3,491,363	319,645
Interest	3,102	2,954	3,252	298
Other	83,607	79,629	87,654	8,025
<i>Total Receipts</i>	<u>3,430,500</u>	<u>3,267,293</u>	<u>3,596,570</u>	<u>329,277</u>
DISBURSEMENTS:				
Public Works	3,893,384	3,598,530	3,277,708	320,822
Debt Service:				
Principal Retirement	195,385	195,385	195,385	-
Interest and Fiscal Charges	16,731	16,731	16,731	-
<i>Total Disbursements</i>	<u>4,105,500</u>	<u>3,810,646</u>	<u>3,489,824</u>	<u>320,822</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	(675,000)	(543,353)	106,746	650,099
<i>Fund Balance at Beginning of Year</i>	<u>676,271</u>	<u>676,271</u>	<u>676,271</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,271</u>	<u>\$ 132,918</u>	<u>\$ 783,017</u>	<u>\$ 650,099</u>

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

**Meigs County, Ohio**  
*Statement of Assets and Net Position*  
*Proprietary Fund - Cash Basis*  
*As of December 31, 2012*

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	<u>Enterprise Fund</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ -
NET POSITION:	
Unrestricted	\$ -

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

**Meigs County, Ohio**  
*Statement of Receipts, Disbursements and  
 Changes in Net Position*  
*Proprietary Fund - Cash Basis*  
*For the Year Ended December 31, 2012*

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	<u>Enterprise Fund</u>
OPERATING DISBURSEMENTS:	
Capital Outlay	\$ 412,704
<i>Total Operating Disbursements</i>	<i>412,704</i>
<i>Operating Receipts Over (Under)</i>	
<i>Operating Disbursements</i>	<i>(412,704)</i>
Non-Operating Receipts:	
Proceeds from Loans	412,704
<i>Total Non-Operating Receipts</i>	<i>412,704</i>
<i>Change in Net Position</i>	<i>-</i>
<i>Net Position at Beginning of Year</i>	<i>-</i>
<i>Net Position at End of Year</i>	<i>\$ -</i>

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

**Meigs County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds - Cash Basis*  
*As of December 31, 2012*

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	<u>Agency Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,781,005
Cash and Cash Equivalents in Segregated Accounts	<u>745,733</u>
<i>Total Assets</i>	<u>2,526,738</u>
NET POSITION:	
Unrestricted	<u>2,526,738</u>
<i>Total Net Position</i>	<u>\$ 2,526,738</u>

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

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 1 – REPORTING ENTITY**

Meigs County (the County), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. Other officials elected by the voters of the County that 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 Probate/Juvenile Court Judge.

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

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Meigs County, this includes all departments and activities that are directly operated by the elected County officials.

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

**Component Unit**

Meigs Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-appointing Board of Trustees. Meigs Industries is under a contractual agreement with the Meigs County Board of Development Disabilities (MCBDD) to provide sheltered employment for developmentally disabled or handicapped adults in the County. MCBDD provides the Program with wages and other funds as necessary for the operation of Meigs Industries. Based on the significant services and resources provided by the County to the Program and the sole purpose of the Program to provide assistance to the developmentally disabled and handicapped adults of the County, the Program is considered to be a component unit of Meigs County. Separately issued financial statements can be obtained from the administrative offices of Meigs Industries, Inc., 1310 Carleton Street, Syracuse, Ohio 45779.

The County has elected to include in the component unit column Meigs Industries, Inc. as a discretely presented component unit in the accompanying basic financial statements. See also Note 2 to the basic financial statements entitled government-wide financial statements.

**NOTE 1 – REPORTING ENTITY (Continued)**

**Separate Agencies**

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 listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of the following agencies is presented as agency funds within the County's financial statements:

- The Meigs County District Board of Health is governed by a Board of Trustees which oversees the operation of the District and is elected by a regional advisory council comprised of township trustees, mayors of participating municipalities, and one County Commissioner. The District adopts its own budget and operates autonomously from the County. Funding is based on a tax levy, along with various state and federal grants applied for by the District.
- The Meigs County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision within the County. The five supervisors of the District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

**Other Organizations**

The County is also associated with certain organizations which are defined as jointly governed organizations, as well as one public entity shared risk pool. These organizations are presented in Notes 10 and 11 to the basic financial statements. The organizations are as follows:

- Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board
- Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District
- Gallia-Meigs Regional Airport
- Gallia-Meigs Community Action Agency
- Area Agency on Aging
- Meigs County Park District
- Southern Ohio Council of Governments
- County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

These basic financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Following are the more significant of the County's accounting policies.

**A. Basis of Presentation**

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

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

**Government-wide Financial Statements**

The statement of net position-cash basis and the statement of activities-cash basis display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position-cash basis presents the cash balance of governmental activities of the County at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental activities. Cash disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County, with certain limited exceptions. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general cash receipts of the County.

The government-wide financial statements also display information regarding one legally separate entity or component unit, for which the County is fiscally responsible. This component unit is Meigs Industries, Inc. and is described further in Note 1 to the financial statements.

**Fund Financial Statements**

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

**B. Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County classifies each fund as either governmental, proprietary, or fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically 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. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. The following are the County's major governmental funds:

*General Fund*

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

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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

*Board of Development Disabilities (MCBDD) Special Revenue Fund*

This fund is to account for the operation of a school for the developmentally disabled and handicapped. The primary sources of revenue are a county-wide property tax levy and federal and state grants

*Job and Family Services Special Revenue Fund*

This fund accounts for various federal and state grants used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services. The primary sources of revenue are federal and state grants.

*Real Estate Assessment Fund*

This fund accounts for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located with the County. The primary source of revenue is charges for services.

*Auto License and Gas Special Revenue Fund*

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges. The primary sources of revenue are the state gas tax and motor vehicle registration fees.

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

**Proprietary Funds**

The proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. Enterprise funds are the County's only proprietary fund type.

*Enterprise Funds*

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered through user charges. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. For the County, the only enterprise fund is the Sewer Fund, which is used to account for the activities related to wastewater treatment in the County.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.. The County's only fiduciary funds are agency funds. Agency funds are custodial in nature and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

**C. Basis of Accounting**

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

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

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

**D. Budgetary Process**

All funds, except for agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The resolution sets annual limits on expenditures plus encumbrances at the major object level within a fund, thereby establishing the legal level of control.

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

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

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

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of one to three months. Individual fund balance integrity is maintained through the County's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit.

Cash and cash equivalents that are held separately within the departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

During 2012, the County invested in certificates of deposit.

All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners' policy. For calendar year 2012, interest receipts amounted to \$30,810. The General Fund received \$27,558 and the Auto License and Gas Fund received \$3,252.

**F. Capital Assets and Depreciation**

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

**G. Interfund Receivables/Payables**

The County reports interfund loans as advances in and advances out in the other financing sources/uses in governmental funds. These items are not reflected as assets and liabilities in the accompanying basic financial statements. In the government-wide financial statements, advances within governmental activities are eliminated.

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

**H. Compensated Absences**

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

**I. Employer Contributions to Cost-Sharing Pension Plans**

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**J. Long-Term Obligations**

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**K. Net Position**

Net position represents the cash basis assets held by the County at year end. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available.

Of the County's \$4,849,101 in restricted net position, none is restricted by enabling legislation.

**L. Fund Balance**

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

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

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

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

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

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

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

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

**M. Interfund Activity**

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchasing funds. Nonexchange flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities are eliminated.

**NOTE 3- BUDGETARY BASIS FUND BALANCES**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual –Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are due to several factors. The first factor is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). The second factor is that under Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that were previously reported as non-major special revenue funds are considered part of the General Fund on a cash basis. These funds were excluded from the budgetary presentation for the General Fund.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

**Primary Government**

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 demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, or the political subdivisions of Ohio, provided that such political subdivisions are located wholly or partly within the same county as the investing authority;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio;
10. Certain bankers' acceptances for a period not to exceed one hundred and eighty days and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
11. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies;
12. Notes issued by corporations incorporated and operating within the United States, or by depository institutions doing business under any state or United States authority and operating within the United States. Such investments shall not exceed fifteen percent of the County's total average portfolio and meet other requirements; and
13. A current unpaid or delinquent tax line of credit authorized under division (G) of section 135.341 of the Revised Code provided that all of the conditions for entering into such a line of credit under that division are satisfied.

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

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

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.

**Cash on Hand:** At year-end, the County had \$9,881 in un-deposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents”.

Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government.

These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County’s bank balance of \$8,184,940 is either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner as described above.

**Component Unit**

At December 31, 2012, the carrying amount of Meigs Industries, Inc.’s deposits was \$96,931 and the bank balance was \$98,974. All of the bank balance was covered by federal depository insurance.

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2012 for real and public utility property taxes represents collection of 2011 taxes.

2012 real property taxes are levied after October 1, 2012 on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are intended to finance 2013.

Public utility property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

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

The assessed value for the taxes levied in 2012 was \$328,305,070 of which real property represented 99.90 percent (\$327,947,160) of the total and public utility property represented 0.10 percent (\$357,910) of the total. The full tax rate for all County operations for taxes collected in 2012, was \$15.20 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due by 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.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**NOTE 5 - PROPERTY TAX (Continued)**

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

**NOTE 6 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County's vehicles and general liability are covered by the County Risk Sharing Authority. At December 31, 2012, the County maintained the following insurance coverages through the insurance company:

<u>Type of Coverage</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	1,000,000	-
Property	46,083,043	2,500
Equipment Breakdown	100,000,000	2,500
Crime Coverage	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Uninsured/Underinsured Motorists	250,000	2,500

The County had established a limited risk health, dental, and vision insurance program for Engineer's Department employees. Business Administrators and Consultants, Inc. (BAC) serviced all claims submitted by employees of the Engineer's Department. Excess coverage insurance policies covered individual claims in excess of \$20,000 for BAC. All other County employees have fully funded coverage through United Health Care.

The County has had no significant reductions in any of its insurance coverage from those maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

In accordance with the cash basis of accounting, as more fully described in Note 2, the County does not record a liability for any incurred but unpaid claims as of year end.

**NOTE 7 - RETIREMENT SYSTEMS**

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

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
  - 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

- 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The member contribution rates for 2012, 2011, and 2010 were 10.0%, 10.0%, and 10.0%, respectively, for members in state and local classifications and 11.5% and 12.10%, 11.0% and 11.6%, and 10.5% and 11.1%, respectively for members in public safety and law enforcement. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.00% and 12.60%, respectively.

The employer contribution rates were 14.00%, 14.00%, and 14.00%, respectively, for state and local employers and 18.10%, 18.10%, and 17.87%, respectively for law enforcement and public safety employers for the years ended December 31, 2012, 2011, and 2010 for the County.

The County's contributions to OPERS for the years ended December 31, 2012, 2011, and 2010 were \$1,085,277, \$1,105,820, and \$1,116,546, respectively, which were equal to the required contributions for those years.

**State Teachers Retirement System (STRS)**

State Teachers Retirement System of Ohio (STRS Ohio) is 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, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**Plan Options** – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered 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 among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

**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; or (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% 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%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% 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% instead of 2.2%. 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.

**DC Plan Benefits** – Benefits are established under Sections 3307.80 to 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% 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 defined benefit payment. A member’s defined benefit is determined by multiplying 1% 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 elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB 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 DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB 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.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

**NOTE 7 - RETIREMENT SYSTEMS (Continued)**

For the years ended December 31, 2012, 2011, and 2010, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent. The County's required contributions for pension obligations to STRS Ohio for the calendar years ended December 31, 2012, 2011, and 2010 were \$35,463, \$40,141, and \$42,857, respectively; which were equal to the required amounts for those years.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

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

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

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

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

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

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

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

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll and public safety and law enforcement employers contributed at 18.1%. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2012 and 2011, the employer contributions allocated to the health care for members in the Traditional was 4.0%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar years 2012 and 2011. For 2010, the employer contributions allocated to the health care plan from January 1 through February 28, 2010 and March 1 through December 31, 2010 were 5.5% and 5.0%, respectively. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$310,064 for 2012, \$315,933 for 2011, and \$567,577 for 2010, which equaled the required contributions for these years.
- D. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**State Teachers Retirement System**

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan, which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to Section 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll free (888) 227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended December 31, 2012, 2011, and 2010. For the County, these amounts were \$2,533, \$2,867, \$3,061, respectively, for 2012, 2011, and 2010, respectively, which equaled the required contributions for these years.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**NOTE 9 - DEBT OBLIGATIONS**

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. Debt obligations are presented for informational purposes only. However, information regarding such changes in the County's general long-term obligations during 2012 is as follows:

Governmental Activities Debt:

Issues	Interest Rates	Outstanding 12/31/11	Additions	Reductions	Outstanding 12/31/12	Due in 1 Year
<u>Governmental Funds</u>						
<u>Long-Term Obligations</u>						
2002 - Rural Hardship EPA	0.00%	\$ 21,450	\$ -	\$ 1,950	\$ 19,500	\$ 1,950
2009 - Highway Equipment	3.25%	98,944	-	98,944	-	-
2011 - Farmers Bank 95042	3.63%	47,408	-	4,586	42,822	5,184
2011 - Farmers Bank 95045	4.63%	302,237	-	291,203	11,034	11,034
OWDA - HSTS Program	0.00%	-	105,416	105,416	-	-
2010 - Tandom Trucks	3.65%	196,287	-	96,441	99,846	99,846
Total Governmental Obligations		<u>\$ 666,326</u>	<u>\$ 105,416</u>	<u>\$ 598,540</u>	<u>\$ 173,202</u>	<u>\$ 118,014</u>
<u>Business-Type Fund</u>						
<u>Long-Term Obligations</u>						
OWDA - Rutland Sewer	1.00%	\$ -	\$ 412,704	\$ -	\$ 412,704	\$ -
Total Business-Type Activities		<u>\$ -</u>	<u>\$ 412,704</u>	<u>\$ -</u>	<u>\$ 412,704</u>	<u>\$ -</u>

The Rural Hardship EPA Loan was obtained in 2002 in the amount of \$39,000 for additional capitalization of the Meigs County Grant/Loan Program. Septic Upgrade/Replacement monies are used to repay this debt.

The Highway Equipment loan in the amount of \$287,372 was obtained in 2009 for the purchase of a dump truck and a hydraulic excavator for the County Highway Department. Monies from the Auto License and Gas Fund are used to repay this debt. This debt was repaid in 2012.

The Farmer's Bank and Savings Company loan in the amount of \$55,681 was obtained to remodel a building for the Job and Family Service 'Jobs One-Stop' Renovation. Monies from the Debt Service Fund are used to repay this debt.

The Farmer's Bank and Savings Company loan in the amount of \$302,237 was obtained to renovate the HVAC annex and multi purpose building. Monies from the Debt Service Fund are used to repay this debt.

The Tandom Trucks loan was in the amount of \$289,433 for the purchase of 2 tandom trucks to be repaid over three annual payments. Auto License and Gas Fund monies are used to repay this debt.

The County issued an OWDA loan in 2012 in the amount of \$412,704 to purchase the Rutland Sewer System. The debt will be repaid through the Rutland Sewer Enterprise Fund.

The County issued an OWDA loan in 2012 in the amount of \$105,416 for the Home Sewage Treatment System (HSTS) project. The OWDA loan was paid in 2012 by grant funding from the American Reinvestment and Recovery Act.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**NOTE 9 - DEBT OBLIGATIONS (Continued)**

At December 31, 2012, the County's overall legal debt margin was \$6,120,721 with an unvoted debt margin of \$3,283,051.

The annual requirements to amortize debt and interest outstanding as of December 31, 2012, are as follows:

Year Ending December 31	Rural Hardship EPA Loan		Farmer's Bank		Tandom Trucks	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,950	\$ -	\$ 16,218	\$ 3,164	\$ 96,846	\$ 3,865
2014	1,950	-	5,402	1,269	-	-
2015	1,950	-	5,605	1,065	-	-
2016	1,950	-	5,817	854	-	-
2017	1,950	-	6,036	635	-	-
2018 - 2022	9,750	-	14,778	605	-	-
<b>Total</b>	<b>\$ 19,500</b>	<b>\$ -</b>	<b>\$ 53,856</b>	<b>\$ 7,592</b>	<b>\$ 96,846</b>	<b>\$ 3,865</b>

**NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS**

**Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board**

The ADAMH Board is a jointly governed organization. Participants are Gallia, Jackson, and Meigs counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund, and evaluate the services provided. The Board is managed by eighteen members, five appointed by the Commissioners of Jackson County, two by the Commissioners of Gallia County, and three by the Commissioners of Meigs County, which are proportionate to population; four by Ohio Department of Alcohol and Drug Addiction Services and four by the Ohio Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriation, contracting, and management.

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2012, the County made no contributions to the Board.

**NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District**

The County is a member of a multi-county Joint Solid Waste Management District (District), which is a jointly governed organization involving Gallia, Jackson, Vinton, and Meigs counties. The purpose of the District is to plan and implement comprehensive and environmentally sound solid waste management facilities and provide for the establishment of waste minimization, waste reduction, and recycling programs. The District was created in 1989, as required by the Ohio Revised Code.

The Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District is governed and operated through three groups. A twelve member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the District. The District's only revenue source is a waste disposal fee for in-district and out-of-district waste.

A twenty-five member policy committee, comprised of six members from each County and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Each participating County's influence is limited to the number of members each appoints to the board. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists. The District has \$31,485 debt outstanding to each Gallia and Jackson Counties which will be paid off during 2013.

**Gallia-Meigs Regional Airport**

The Gallia-Meigs Regional Airport (Airport) operates under a separate board that consists of seven members. The Gallia County Commissioners approve the budget, approve expenditures, approve fund deficits and are directly responsible for the debt. All of the land and fixed assets at the Airport belongs to Gallia County. The Airport rents the facilities from Gallia County. A manager contracted by the Airport board operates as a fixed based operator. The Airport generates revenue from sales and rental space. Grants are applied for through the Airport's name. Meigs County does not contribute financially to the Airport operations. The Airport operates on a calendar year basis. The operating statement of the Airport is present at the object level. The Airport is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more comprehensive financial information. Financial statements are audited and issued as part of Gallia County and are not obtainable separately.

**Gallia-Meigs Community Action Agency**

The Gallia-Meigs Community Action Agency is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Gallia and Meigs counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. The Gallia County Commissioners apply for the Community Housing Improvement Program Grant and the HOME Grant which are administered and implemented by the Community Action Agency. The County is the fiscal agent of the grant, but the grants are used by the Community Action Agency to improve low income family housing in Gallia County. Community Action contracts for expenses that relate to the grants and then the County Commissioners issue the payments. The Board exercises total control of the budgeting, appropriation, contracting and management. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County.

**NOTE 10 –JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Area Agency on Aging**

The Area Office on Aging is a regional council of governments that assists ten counties including Meigs County in providing services to senior citizens in the Council's service area. The Council is governed by a fifteen member board of directors. The Meigs County Commissioners along with other county organizations can nominate new board members, except representatives of local community service organizations. At least one-half of the board must be over the age of fifty-five. The board has total control over budgeting, personnel and all other financial matters. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

**Meigs County Park District**

Meigs County Park District, Meigs County, Ohio, (the District) 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. The District is directed by a Board of Commissioners appointed by the probate judge of Meigs County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these as the Board deems conducive to the general welfare.

**Southern Ohio Council of Governments**

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Meigs County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2012, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 St. Rt. 104, Building 8, Chillicothe, Ohio 45601.

**NOTE 11 - PUBLIC ENTITY SHARED RISK POOL**

**County Commissioners Association of Ohio Workers' Compensation Group Rating Plan**

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group 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 CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**NOTE 12 - CONTINGENCIES**

**A. Primary Government**

**Grants**

The County received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the County at December 31, 2012, if applicable, cannot be determined at this time.

**Litigation**

The County is currently party to legal proceedings. However, it is the opinion of management that any results of such proceedings will not have a material adverse effect on the County's financial condition.

**B. Component Unit**

As of December 31, 2011 (latest information available), there is no pending litigation against Meigs Industries, Inc.

**NOTE 13 - INTERFUND ACTIVITY**

	<b>Transfers In</b>	<b>Transfers Out</b>
Major Funds:		
General Fund	\$ 60,000	\$ 44,130
MCBDD Fund	-	95,000
Job and Family Services Fund	-	66,400
Non-major Funds:		
Other Governmental Funds	227,965	82,435
	\$ 287,965	\$ 287,965

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the General Fund were made to subsidize programs and retire debt. During 2012, pursuant to court order, monies were transferred into the General fund. Also, the County made transfers from Other Governmental Funds to debt service funds for the purpose of retiring debt in accordance with Ohio Revised Code 5705.14.

	<b>Advances In</b>	<b>Advances Out</b>
General Fund	\$ 3,599	\$ -
Other Governmental Funds	-	3,599
	\$ 3,599	\$ 3,599

During the year, the County's General Fund made advances to other funds in anticipation of intergovernmental grant revenue. Advances to the General Fund are for repayments of outstanding advances.

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

**NOTE 14 – ACCOUNTABILITY**

As of December 31, 2012, the Dog and Kennel, Rutland Water/Sewer Grant, Syracuse Water/Sewer, Litter Control 2011, 2010 Diversion Grant, and WIA Special Revenue Funds had deficit cash balances in the amount of \$5,243, \$26, \$250, \$115, \$6,337, and \$7,679, respectively.

**NOTE 15 - CHANGES IN ACCOUNTING PRINCIPLES**

For 2012, the County has implemented Governmental Accounting Standard Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the County’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

**NOTE 16 - FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	MCBDD	Job and Family Services	Real Estate Assessment	Auto License and Gas	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>							
Unclaimed Monies	\$ 17,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,141
<b>Restricted for</b>							
Other Purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 939,725	\$ 939,725
911	-	-	-	-	-	100,225	100,225
DRETAC	-	-	-	-	-	45,320	45,320
Mediation	-	-	-	-	-	2,396	2,396
Child Support Enforcement	-	-	-	-	-	280,263	280,263
Sanction Cost Reimbursement	-	-	-	-	-	45,984	45,984
Court Legal Research, Computerization and Other Purposes	-	-	-	-	-	152,869	152,869
Law Library	-	-	-	-	-	26,890	26,890
Care & Custody	-	-	-	-	-	63,414	63,414
EMS	-	-	-	-	-	84,194	84,194
Tuberculosis	-	-	-	-	-	140,653	140,653
Emergency Management	-	-	-	-	-	111,433	111,433
Children Services	-	-	-	-	-	280,098	280,098
Real Estate Assessment	-	-	-	608,931	-	-	608,931
Road Repair and Other Purposes	-	-	-	-	783,017	-	783,017
Job and Family Services	-	-	98,509	-	-	-	98,509
Board of DD/Residential	-	989,384	-	-	-	-	989,384
2013 Reclaim Subsidy Grant	-	-	-	-	-	95,796	95,796
Total Restricted	<u>-</u>	<u>989,384</u>	<u>98,509</u>	<u>608,931</u>	<u>783,017</u>	<u>2,369,260</u>	<u>4,849,101</u>
<b>Assigned to</b>							
Other Purposes	265,502	-	-	-	-	-	265,502
<b>Unassigned (Deficit)</b>							
	55,813	-	-	-	-	(19,650)	36,163
Total Fund Balances	<u>\$ 338,456</u>	<u>\$ 989,384</u>	<u>\$ 98,509</u>	<u>\$ 608,931</u>	<u>\$ 783,017</u>	<u>\$ 2,349,610</u>	<u>\$ 5,167,907</u>

**Meigs County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 17 – SUBSEQUENT EVENTS**

During 2012, an allegation of theft was made against an employee in the Sheriff's Department which involved webcheck fees, concealed carry weapon fees, and sheriff's sales receipts. These allegations were investigated by state and local authorities and involved receipts from a portion of 2011 and a portion of 2012. In May 2013, the former employee was indicted on charges relating to the alleged theft. No trial date has been set at this time. At this time the effect on the financial statements is not known, but it is not expected to have an adverse effect on the financial condition of the County.

**MEIGS COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2012**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Department of Agriculture</u></b>			
<i>Passed through the Department of Rural Housing Preservation</i>			
Rural Housing	(1)	10.433	\$63,902
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	05PU	10.553	1,684
National School Lunch Program	LLP4	10.555	15,603
Total Child Nutrition Cluster			<u>17,287</u>
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Food Stamp Cluster:			
State Admin Matching Grants for Food Stamp Program	(1)	10.561	201,219
Total Food Stamp Cluster			<u>201,219</u>
Total US Department of Agriculture			<u>282,408</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through the Ohio Department of Development/State's Program</i>			
Community Development Block Grants:			
FY10 CHIP	B-C-10-1BW-1	14.228	1,813
FY10 CHIP	B-C-10-1BW-2	14.228	91,924
FY10 CDBG Formula	B-F-10-1BW-1	14.228	239,417
Home Repair	S-C-10-1BW-1	14.228	50,242
FY11 CDBG Formula	B-F-11-1BW-1	14.228	133,250
FY12 CDBG Formula	B-F-12-1BW-1	14.228	7,297
CDBG - Program Income	B-P-12-1BW-1	14.228	12,443
Total Community Development Block Grants			<u>536,386</u>
Total U.S. Department of Housing and Urban Development			<u>536,386</u>
<b><u>US Department of Justice</u></b>			
<i>Passed through the Ohio Department of Justice</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2011 JG-LLE-5148	16.738	5,242
Total U.S. Department of Justice			<u>5,242</u>
<b><u>U.S. Department of Labor</u></b>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Initiative Allocation - Adult	(1)	17.258	110,430
Workforce Initiative Allocation - Youth Activities	(1)	17.259	181,350
Workforce Initiative Allocation - Dislocated Workers	(1)	17.260	72,024
Total Workforce Initiative Allocation Cluster			<u>363,804</u>
Total U.S. Department of Labor			<u>363,804</u>
<b><u>Ohio Department of Transportation</u></b>			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction - LBRS	(1)	20.205	14,500
Highway Planning and Construction - Pomeroy Access Road	(1)	20.205	179,801
Highway Planning and Construction - Sign Upgrade	(1)	20.205	18,455
Total Ohio Department of Transportation			<u>212,756</u>
<b><u>U.S. Department of Education</u></b>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education Grants to States	6BSF	84.027	15,511
Special Education Preschool Grant	PGS1	84.173	7,988
Total Special Education Cluster			<u>23,499</u>
Total U.S. Department of Education			<u>23,499</u>

**MEIGS COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2012**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Election Assistance Commission</u></b>			
<i>Passed Through U.S. Election Assistance Commission</i>			
Help America Vote Act	(1)	90.401	1,614
Total U. S. Election Assistance Commission			<u>1,614</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through the Ohio Board of Elections</i>			
Voting Access for Individuals with Disabilities	(1)	93.617	590
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Social Services Block Grant	(1)	93.667	516,852
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	(1)	93.667	15,978
Total Social Service Block Grant			<u>532,830</u>
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Medical Assistance Program	(1)	93.778	448
Medical Assistance Program	(1)	93.778	305,483
Total Medicare Cluster			<u>305,931</u>
CCDF Cluster:			
Child Care Development Block Grant	(1)	93.575	54,547
Total CCDF Cluster			<u>54,547</u>
Temporary Assistance for Needy Families (TANF)	(1)	93.558	882,698
Promoting Safe and Stable Families	(1)	93.556	44,657
Child Support Enforcement	(1)	93.563	174,641
Child Welfare Services State Grant	(1)	93.645	27,198
Foster Care Title VI-E Administration and Training	(1)	93.658	172,506
Adoption Assistance Title VI-E - Administration and Training	(1)	93.659	14,719
SCHIP	(1)	93.767	1,594
Total U.S. Department of Health and Human Services			<u>2,211,911</u>
<b><u>U.S. Department of Homeland Securities</u></b>			
<i>Passed through Ohio Emergency Management Agency</i>			
Hazard Mitigation Grant Plan (HMGP)	(1)	97.039	11,233
State Homeland Security Program (SHSP)	(1)	97.067	31,792
Emergency Management Performance Grant (EMPG)	(1)	97.042	20,787
Total Ohio Emergency Management Agency			<u>63,812</u>
Total U.S. Department of Homeland Securities			<u>63,812</u>
<b><u>Environmental Protection Agency - Office of Water</u></b>			
<i>Passed through the Ohio Water Development Authority</i>			
ARRA - Water Pollution Control Fund	(1)	66.458	105,392
Total Environmental Protection Agency - Office of Water			<u>105,392</u>
Total Federal Expenditures			<u><u>\$3,806,824</u></u>

(1) - Passthrough entity number not available  
(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

**MEIGS COUNTY**  
*Notes to the Schedule of Federal Awards Expenditures*  
*For the year ended December 31, 2012*

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

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

**NOTE C - CHILD NUTRITION CLUSTER**

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

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

**NOTE D - ARRA/EFMAP**

During the calendar year, the County Board of Developmental Disabilities received a refund for eFMAP (ARRA) funds for the Medicaid Program (CFDA # 93.778) in the amount of \$602 from the Ohio Department of Developmental Disabilities. This refund was a correction to the eFMAP percentage for four billing cycles during July and August 2009. This revenue is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in prior reporting periods.

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

Board of Commissioners  
Meigs County, Ohio  
100 East Second Street  
Pomeroy, OH 45769

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County), as of and for the year ended December 31, 2012, and the notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 7, 2013, wherein we noted the County's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles. We also noted that the County adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not audit the financial statements of Meigs Industries, Inc., which were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for Meigs Industries, Inc., is based solely on the report of other auditors.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control that we consider to be a material weakness.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider finding 2012-002 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material affect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2012-001.

We also noted certain matters that we have reported to the management of the County in a separate letter dated June 7, 2013.

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

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

### **Purpose of this Report**

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

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

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

June 7, 2013

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

Board of Commissioners  
Meigs County, Ohio  
100 East Second Street  
Pomeroy, OH 45769

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

We have audited the Meigs County, Ohio (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

As described in the accompanying schedule of findings, the County did not comply with the requirements regarding Community Development Block Grant Program as described in finding number 2012-003 for Cash Management. Compliance with such a requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Community Development Block Grant Program for the year ended December 31, 2012.

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended December 31, 2012.

***Other Matters***

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

**Report on Internal Control over Compliance**

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2012-003 to be a material weakness.

Board of Commissioners  
Meigs County, Ohio  
Report on Compliance For Each Major Program  
and Report on Internal Control over Compliance

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

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

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

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

June 7, 2013

**MEIGS COUNTY, OHIO**  
*Schedule of Findings*  
For the Year Ended December 31, 2012

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

<b>1. Type of Financial Statement Opinion</b>	Unqualified
<b>2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>3. Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>4. Was there any material noncompliance reported at the financial statement level (GAGAS)?</b>	Yes
<b>5. Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>6. Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>7. Type of Major Programs' Compliance Opinion</b>	Qualified - Community Development Block Grants Unqualified – Medicare Cluster, Food Stamp Cluster, Social Services Block Grant Cluster, Temporary Assistance for Needy Families, ARRA- Water Pollution Control Fund
<b>8. Are there any reportable findings under § .510?</b>	Yes
<b>9. Major Programs (list):</b>	Community Development Block Grants - CFDA#14.228 Medicare Cluster - CFDA#93.778 Food Stamp Cluster- CFDA#10.561 Social Services Block Grant Cluster CFDA#93.667 Temporary Assistance for Needy Families - CFDA#93.558 ARRA- Water Pollution Control Fund CFDA#66.458
<b>10. Dollar Threshold: Type A/B Programs</b>	Type A: >\$300,000 Type B: All Other Programs
<b>11. Low Risk Auditee?</b>	No

**MEIGS COUNTY, OHIO**  
*Schedule of Findings*  
*For the Year Ended December 31, 2012*

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

**Finding Number 2012-001**

**Annual Financial Report - Noncompliance Citation**

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

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

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

**Officials Response**

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

**Finding Number 2012-002**

**Sheriff's Office Receipts – Material Weakness**

When designing the sheriff's office system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. The lack of internal controls adversely affected the sheriff's office ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is reasonable possibility that the sheriff's office internal control will not prevent or detect a material financial statement misstatement.

During 2012, an allegation of theft was made against an employee in the Sheriff's Department which involved web check fees, concealed carry weapon fees and sheriff's sales receipts. These allegations were investigated by state and local authorities and involved receipts from a portion of 2011 and a portion of 2012. In May 2013, the former employee was indicted on charges relating to the alleged theft.

The lack of segregation of duties and internal control weaknesses could result in irregularities not being detected in a timely manner, and loss of revenue or misposting of revenues.

**MEIGS COUNTY, OHIO**  
*Schedule of Findings*  
*For the Year Ended December 31, 2012*

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Officials Response

Sheriff Keith Wood was not the elected Sheriff at the time of the allegations on the previous secretary for his department. Since he has taken office, there have been changes in the way the secretary handles the receipt of monies for the office. These operations are more in tune with control in processing and paying in monies for the Sheriff Department. It is the understanding that with these changes there is more internal control within his department.

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

**Finding Number 2012-003**

CFDA Title and Number	Community Development Block Grants - 14.228
Grant Year	2012
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development
Finding Number	2012-002

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

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

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

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

Officials Response

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

**MEIGS COUNTY, OHIO**  
*Schedule of Prior Audit Findings*  
For the Year Ended December 31, 2012

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<b>Finding Number</b>	<b>Description</b>	<b>Status</b>	<b>Comments</b>
<i>Government Auditing Standards:</i>			
2011-001	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2012-001.
2011-002	Federal program compliance requirements state that the County must develop a cash management plan to comply with the 15-day rule relating to disbursement of funds.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2012-003.

**MEIGS COUNTY, OHIO**  
*Corrective Action Plan*  
*For the Year Ended December 31, 2012*

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<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Contact Person</b>
2012-001	The County does not anticipate filing on a GAAP basis until financial conditions improve.	No estimated date.	Mary Byer-Hill, Auditor  County Commissioners: Thomas Anderson, President Michael Bartrum, Vice President Tim Ihle, Member
2012-002	The Shreff's Office will monitor internal controls over receipt of monies more closely.	Immediate future	Mary Byer-Hill, Auditor  County Commissioners: Thomas Anderson, President Michael Bartrum, Vice President Tim Ihle, Member
2012-003	The Grants Office director will monitor cash needs more closely to help ensure the prompt disbursement of grant funds.	Immediate future	Mary Byer-Hill, Auditor  County Commissioners: Thomas Anderson, President Michael Bartrum, Vice President Tim Ihle, Member

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# Dave Yost • Auditor of State

## MEIGS COUNTY FINANCIAL CONDITION

### MEIGS COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 30, 2013