



VINTON COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 31, 2014

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of County Commissioners
Vinton County
100 Main Street
McArthur, Ohio 45651

We have reviewed the *Independent Auditor's Report* of Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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. Vinton County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 19, 2015

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Independent Auditor's Report

Board of Commissioners
Vinton County, Ohio
100 East Main Street
McArthur, OH 45651

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, (the County) as of and for the year ended December 31, 2014, 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 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, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund and Motor Vehicle Gasoline Tax Fund and 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.

Other Matters

Supplemental and Other Information

We applied no procedures to the Management's Discussion and Analysis presented on pages 3-9 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2015 on our consideration of the Vinton 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 Vinton County, Ohio's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

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

May 21, 2015

Vinton County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

As management of Vinton County (the County), we offer readers this narrative overview and analysis of the financial activities of the County as a whole for the year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Net position of governmental activities decreased \$583,200.
- General cash receipts accounted for \$4,641,489 in receipts or 38 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for \$7,692,295 or 62 percent of total cash receipts of \$12,333,784.
- The County had \$12,916,984 in cash disbursements related to governmental activities; \$7,692,295 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, and property taxes) of \$4,641,489 were not adequate to provide for these programs.

Using the Basic Financial Statements

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

Report Components

The *Statement of Net Position-Cash Basis* and *Statement of Activities-Cash Basis* provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed and what remains for future spending on a cash basis. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Vinton County, the General Fund and the Motor Vehicle Gasoline Tax Fund are the most significant funds and have been presented as major funds.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the County as a way to segregate money whose use is restricted to a particular specific purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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Management's Discussion and Analysis
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Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the County as a Whole

Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis

The statement of net position-cash basis and the statement of activities-cash basis reflect how the County did financially during 2014, within the limitations of the cash basis of accounting. The statement of net position – cash basis presents the cash balances and investments of the governmental activities of the County at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the County's general receipts.

These statements report the County's cash position and the changes in cash position. Keeping in mind the limitations of cash basis accounting, you can think of these changes as one way to measure the County's financial health. Over time, increases or decreases in the County's cash position is one indicator of whether the County's financial health is improving or deteriorating. When evaluating the County's financial condition, you should also consider other non-financial factors as well as such as the County's property tax base, the condition of the County's capital assets and infrastructure, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

Vinton County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

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

The County as a Whole

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2014 as compared to 2013:

Table 1
 Net Position – Cash Basis
 Governmental Activities

	2014	2013
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$3,991,133	\$4,574,333
<i>Total Assets</i>	3,991,133	4,574,333
 <i>Net Position</i>		
Restricted	3,172,072	3,693,054
Unrestricted	819,061	881,279
<i>Total Net Position</i>	\$3,991,133	\$4,574,333

The decrease in Equity in Pooled Cash and Cash Equivalents is primarily due to the reasons described on page 7.

Vinton County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

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

Table 2
Change in Net Position – Cash Basis
Governmental Activities

	2014	2013
<i>Cash Receipts</i>		
<i>Program Cash Receipts:</i>		
Charges for Services	\$2,145,013	\$2,037,233
Operating Grants and Contributions	5,474,970	5,071,231
Capital Grants and Contributions	72,312	170,475
<i>Total Program Cash Receipts</i>	<u>7,692,295</u>	<u>7,278,939</u>
<i>General Cash Receipts:</i>		
Property Taxes	1,678,113	1,516,542
Sales Taxes	1,256,789	1,150,447
Unrestricted Grants and Entitlements	663,012	672,859
Interest	31,194	32,737
Issuance of Loans and Notes	213,685	175,916
Payments in Lieu of Taxes	224,591	254,794
Miscellaneous	574,105	488,232
<i>Total General Cash Receipts</i>	<u>4,641,489</u>	<u>4,291,527</u>
<i>Total Cash Receipts</i>	<u>12,333,784</u>	<u>11,570,466</u>
<i>Cash Disbursements</i>		
<i>Program Cash Disbursements:</i>		
General Government:		
Legislative and Executive	2,188,606	2,206,441
Judicial	720,369	678,167
Public Safety	1,593,584	1,224,577
Public Works	3,136,685	2,986,655
Health	2,341,613	2,121,334
Human Services	225,379	130,157
Conservation and Recreation	0	14,492
Community and Economic Development	829,064	1,122,396
Other	0	167,013
Capital Outlay	1,255,386	453,078
Debt Service:		
Principal Retirement	547,526	218,786
Interest and Fiscal Charges	78,772	95,745
<i>Total Cash Disbursements</i>	<u>12,916,984</u>	<u>11,418,841</u>
<i>Change in Net Position</i>	(583,200)	151,625
<i>Net Position – Beginning of Year</i>	4,574,333	4,422,708
<i>Net Position – End of Year</i>	<u>\$3,991,133</u>	<u>\$4,574,333</u>

Vinton County
Management's Discussion and Analysis
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Net position decreased \$583,200 in governmental activities in 2014 as a result of cash disbursements exceeding cash receipts. Program cash receipts were composed of charges for services and operating and capital grants and contributions which were \$7,692,295. The increase in public safety is due to an increase of contract services during 2014. Capital Outlay increased as a result of work performed by the Engineer's department. The increase to operating grants and contributions is due to intergovernmental monies received from the CHIP program. The decrease to community and economic development is due to timing as to when grants are received versus when they are spent. Principal retirement increased as a result of the County paying in full three of their outstanding debt balances.

Governmental Activities

Operating grants and contributions made up 44 percent of cash receipts for governmental activities of the County for 2014. Property tax receipts made up 14 percent of the total cash receipts for governmental activities for a total of 58 percent of all cash receipts coming from property taxes and operating grants and contributions.

Public works cash disbursements comprise 24 percent of governmental program cash disbursements.

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

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

	2014		2013	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	\$2,188,606	\$1,535,293	\$2,206,441	\$1,570,259
Judicial	720,369	399,527	678,167	362,537
Public Safety	1,593,584	983,522	1,224,577	570,775
Public Works	3,136,685	688,374	2,986,655	511,017
Health	2,341,613	557,059	2,121,334	375,960
Human Services	225,379	164,082	130,157	91,350
Conservation and Recreation	0	0	14,492	2,479
Community and Economic Development	829,064	181,946	1,122,396	192,043
Other	0	0	167,013	129,692
Capital Outlay	1,255,386	231,033	453,078	173,574
Debt Service:				
Principal Retirement	547,526	429,767	218,786	135,950
Interest and Fiscal Charges	78,772	54,086	95,745	24,266
Total Cash Disbursements	\$12,916,984	\$5,224,689	\$11,418,841	\$4,139,902

Vinton County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

The County's Funds

The County's governmental funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$12,820,447 and cash disbursements and other financing uses of \$13,403,647. The net change in fund balance for the year was most significant in the Motor Vehicle Gasoline Tax Fund, which went from \$1,587,517 in 2013 to \$1,320,065 in 2014. Cash receipts and other financing sources exceeded cash disbursements and other financing uses in the amount of \$267,452.

General Fund cash disbursements and other financing uses exceeded cash receipts and other financing sources by \$62,218. Cash receipts increased primarily due to monies received from taxes. Cash disbursements and other financing uses increased primarily due to increases in public safety disbursements and transfers out.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. One of the more significant budgeted funds is the General Fund.

For the General Fund, final budgeted revenue increased \$2,304 from original budgeted revenue, while actual receipts and other financing sources increased \$665,487 from final budgeted revenue. The increases are due primarily to higher than expected taxes and intergovernmental cash receipts. Actual disbursements and other financing uses were under final appropriations by \$51,991. Final appropriations were below original appropriations by \$88,662 due to decreases in all current disbursement estimates.

The County's ending unobligated General Fund cash balance was \$650,274.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$1,255,386 during 2014.

Debt

Under the cash basis of accounting the County does not report bonds in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information the County's long-term obligations. At December 31, 2014, the County had \$1,480,064 in bonds and a note for governmental activities with \$87,056 due within one year. Please see Note 10 for additional information regarding the County's debt. Table 4 summarizes long-term debt outstanding:

Table 4
 Outstanding Debt as of December 31
 Governmental Activities

	2014	2013*
County Courthouse Elevator	\$0	\$108,669
Juvenile Training District	0	87,321
County Job and Family Services Building	1,341,762	1,413,039
HVAC Project Promissory Note	77,302	87,108
Auditor/Treasurer Computer Equipment	0	54,768
Community and Economic Development Building	61,000	63,000
Totals	\$1,480,064	\$1,813,905

* Amount restated, this restatement had no effect on net position.

Vinton County
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000, of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

At December 31, 2014, the County's overall legal debt margin was \$3,067,657 with an unvoted debt margin of \$2,031,814. The debt is well within permissible limits.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cindy Owings Waugh, County Auditor at Vinton County, 100 Main Street, McArthur, Ohio 45651, or telephone at (740)596-4571 (Extension 231).

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Vinton County
Statement of Net Position - Cash Basis
 December 31, 2014

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,991,133
<i>Total Assets</i>	3,991,133
NET POSITION:	
Restricted for:	
Debt Service	24,620
Capital Projects	291,847
Motor Vehicle Gasoline Tax	1,320,065
Department of Developmental Disabilities	163,507
Other Purposes	803,503
Housing Contractual	172,581
Real Estate Assessment	395,949
Unrestricted	819,061
<i>Total Net Position</i>	\$ 3,991,133

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

Vinton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Total
Governmental Activities:					
General Government:					
Legislative and Executive	\$ 2,188,606	\$ 379,103	\$ 274,210	\$ -	\$ (1,535,293)
Judicial	720,369	120,448	200,394	-	(399,527)
Public Safety	1,593,584	270,534	339,528	-	(983,522)
Public Works	3,136,685	481,429	1,966,882	-	(688,374)
Health	2,341,613	361,165	1,423,389	-	(557,059)
Human Services	225,379	39,284	22,013	-	(164,082)
Community and Economic Development	829,064	127,247	519,871	-	(181,946)
Capital Outlay	1,255,386	223,358	728,683	72,312	(231,033)
Debt Service:					
Principal Retirement	547,526	117,759	-	-	(429,767)
Interest and Fiscal Charges	78,772	24,686	-	-	(54,086)
<i>Total Governmental Activities</i>	<u>\$ 12,916,984</u>	<u>\$ 2,145,013</u>	<u>\$ 5,474,970</u>	<u>\$ 72,312</u>	<u>(5,224,689)</u>
General Cash Receipts					
Property Taxes Levied for:					
General Purposes					801,131
MRDD					319,107
Special Purposes					557,875
Sales Taxes Levied for General Purposes					1,256,789
Grants and Entitlements Not					
Restricted to Specific Programs					663,012
Issuance of Loans					126,577
Issuance of Notes					87,108
Payments in Lieu of Taxes					224,591
Miscellaneous					574,105
Interest					31,194
<i>Total General Cash Receipts</i>					<u>4,641,489</u>
<i>Change in Net Position</i>					(583,200)
<i>Net Position Beginning of Year</i>					<u>4,574,333</u>
<i>Net Position End of Year</i>					<u>\$ 3,991,133</u>

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

Vinton County
*Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2014*

	General	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:				
Taxes	\$ 2,057,920	\$ -	\$ 876,982	\$ 2,934,902
Charges for Services	546,576	269,495	1,196,343	2,012,414
Licenses and Permits	1,818	-	-	1,818
Fines and Forfeitures	95,569	16,049	19,163	130,781
Intergovernmental	698,439	3,698,055	1,813,800	6,210,294
Interest	29,779	1,175	240	31,194
Payments in Lieu of Taxes	224,591	-	-	224,591
Other	213,557	20,889	339,659	574,105
<i>Total Cash Receipts</i>	<u>3,868,249</u>	<u>4,005,663</u>	<u>4,246,187</u>	<u>12,120,099</u>
CASH DISBURSEMENTS:				
General Government:				
Legislative and Executive	1,838,502	-	350,104	2,188,606
Judicial	420,745	-	299,624	720,369
Public Safety	1,104,505	-	489,079	1,593,584
Public Works	-	3,136,685	-	3,136,685
Health	75,231	-	2,266,382	2,341,613
Human Services	199,747	-	25,632	225,379
Community and Economic Development	-	-	829,064	829,064
Capital Outlay	1,910	1,055,854	197,622	1,255,386
Debt Service:				
Principal Retirement	-	-	547,526	547,526
Interest and Fiscal Charges	-	-	78,772	78,772
<i>Total Cash Disbursements</i>	<u>3,640,640</u>	<u>4,192,539</u>	<u>5,083,805</u>	<u>12,916,984</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>227,609</u>	<u>(186,876)</u>	<u>(837,618)</u>	<u>(796,885)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	467,220	467,220
Advances In	9,050	9,051	1,342	19,443
Issuance of OWDA Loans	-	-	126,577	126,577
Issuance of Notes	-	-	87,108	87,108
Transfers Out	(297,535)	(89,627)	(80,058)	(467,220)
Advances Out	(1,342)	-	(18,101)	(19,443)
<i>Total Other Financing Sources (Uses)</i>	<u>(289,827)</u>	<u>(80,576)</u>	<u>584,088</u>	<u>213,685</u>
<i>Net Change in Fund Cash Balances</i>	<u>(62,218)</u>	<u>(267,452)</u>	<u>(253,530)</u>	<u>(583,200)</u>
<i>Cash Basis Fund Balances at Beginning of Year</i>	<u>881,279</u>	<u>1,587,517</u>	<u>2,105,537</u>	<u>4,574,333</u>
<i>Cash Basis Fund Balances at End of Year</i>	<u>\$ 819,061</u>	<u>\$ 1,320,065</u>	<u>\$ 1,852,007</u>	<u>\$ 3,991,133</u>
CASH BASIS ASSETS AT END OF YEAR:				
Equity in Pooled Cash and Cash Equivalents	\$ 819,061	\$ 1,320,065	\$ 1,852,007	\$ 3,991,133
<i>Total Assets</i>	<u>\$ 819,061</u>	<u>\$ 1,320,065</u>	<u>\$ 1,852,007</u>	<u>\$ 3,991,133</u>
CASH FUND BALANCES AT YEAR END:				
Nonspendable	\$ 86,539	\$ -	\$ -	\$ 86,539
Restricted	-	1,320,065	1,852,007	3,172,072
Assigned	64,829	-	-	64,829
Unassigned	667,693	-	-	667,693
<i>Total Cash Basis Fund Balances</i>	<u>\$ 819,061</u>	<u>\$ 1,320,065</u>	<u>\$ 1,852,007</u>	<u>\$ 3,991,133</u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Taxes	\$ 1,685,524	\$ 1,686,826	\$ 2,057,920	\$ 371,094
Charges for Services	302,778	303,012	369,673	66,661
Licenses and Permits	1,489	1,490	1,818	328
Fines and Forfeitures	78,275	78,336	95,569	17,233
Intergovernmental	539,228	539,645	658,364	118,719
Interest	24,591	24,610	30,024	5,414
Payments in Lieu of Taxes	183,950	184,092	224,591	40,499
Other	165,735	156,813	202,352	45,539
<i>Total Receipts</i>	<u>2,981,570</u>	<u>2,974,824</u>	<u>3,640,311</u>	<u>665,487</u>
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,084,092	1,838,055	1,795,830	42,225
Judicial	254,202	232,545	229,948	2,597
Public Safety	1,140,423	1,115,275	1,110,570	4,705
Health	38,666	37,497	37,371	126
Human Services	210,166	202,084	199,747	2,337
Capital Outlay	41,200	1,195	1,194	1
<i>Total Disbursements</i>	<u>3,768,749</u>	<u>3,426,651</u>	<u>3,374,660</u>	<u>51,991</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(787,179)</u>	<u>(451,827)</u>	<u>265,651</u>	<u>717,478</u>
OTHER FINANCING SOURCES (USES):				
Advances In	-	9,050	9,050	-
Transfers Out	(77,236)	(329,330)	(329,330)	-
Advances Out	-	(1,342)	(1,342)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(77,236)</u>	<u>(321,622)</u>	<u>(321,622)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(864,415)	(773,449)	(55,971)	717,478
<i>Fund Balance at Beginning of Year</i>	<u>706,245</u>	<u>706,245</u>	<u>706,245</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ (158,170)</u>	<u>\$ (67,204)</u>	<u>\$ 650,274</u>	<u>\$ 717,478</u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Charges for Services	\$ 181,295	\$ 210,414	\$ 269,495	\$ 59,081
Fines and Forfeitures	10,797	12,531	16,049	3,518
Intergovernmental	2,487,762	2,887,330	3,698,055	810,725
Interest	790	917	1,175	258
Other	14,052	16,310	20,889	4,579
<i>Total Receipts</i>	<u>2,694,696</u>	<u>3,127,502</u>	<u>4,005,663</u>	<u>878,161</u>
DISBURSEMENTS:				
Current:				
Public Works	2,995,236	3,268,177	3,136,685	131,492
Capital Outlay	926,594	1,101,094	1,055,854	45,240
<i>Total Disbursements</i>	<u>3,921,830</u>	<u>4,369,271</u>	<u>4,192,539</u>	<u>176,732</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(1,227,134)</u>	<u>(1,241,769)</u>	<u>(186,876)</u>	<u>1,054,893</u>
OTHER FINANCING SOURCE (USES):				
Advances In	-	-	9,051	9,051
Transfers Out	(60,000)	(89,627)	(89,627)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(60,000)</u>	<u>(89,627)</u>	<u>(80,576)</u>	<u>9,051</u>
<i>Net Change in Fund Balance</i>	(1,287,134)	(1,331,396)	(267,452)	1,063,944
<i>Fund Balance at Beginning of Year</i>	<u>1,587,517</u>	<u>1,587,517</u>	<u>1,587,517</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 300,383</u>	<u>\$ 256,121</u>	<u>\$ 1,320,065</u>	<u>\$ 1,063,944</u>

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

Vinton County
Statement of Fiduciary Net Position
Fiduciary Funds - Cash Basis
As of December 31, 2014

	Private Purpose Trust Fund	Agency Funds
<hr/>		
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 15,369	\$ 1,755,096
Cash and Cash Equivalents in Segregated Accounts	-	121,779
	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 15,369</u>	<u>\$ 1,876,875</u>
NET POSITION:		
Unrestricted	\$ -	\$ 1,876,875
Held in Trust for Private Purposes	15,369	-
	<hr/>	<hr/>
<i>Total Net Position</i>	<u>\$ 15,369</u>	<u>\$ 1,876,875</u>

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

Vinton County
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund - Cash Basis
For the Year Ended December 31, 2014

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	\$ 90
<i>Total Additions</i>	90
DEDUCTIONS:	
Scholarship's Awarded	-
<i>Increase in Net Position</i>	90
<i>Net Position Beginning of Year</i>	15,279
<i>Net Position End of Year</i>	\$ 15,369

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Vinton County, Ohio (the County), is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, County Court Judge, Probate-Juvenile Court Judge, and Common Pleas Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

Reporting Entity:

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Vinton County, this includes the Vinton County Board of Developmental Disabilities, Family and Children First Council, and departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or levying of taxes. The County has no blended or discretely presented component units.

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

- Soil and Water Conservation District
- Vinton County Health District

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The County uses the provisions of GASB 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position-cash basis presents the cash basis financial condition of the 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. These statements include the financial activities of the primary government, except for fiduciary funds. Direct cash disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. 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. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of fund financial statements is on major funds 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.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental and fiduciary.

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities are accounted for through governmental funds. The following are the County's major governmental funds:

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

Motor Vehicle Gasoline Tax Fund This fund accounts for state gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads. The primary source of revenue for this fund is intergovernmental monies.

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.

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

Agency Funds are custodial in nature (assets equal net position) and do not involve measurement of results of operations. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent for taxes, state-levied shared revenues, fines and forfeitures collected and distributed to other political subdivisions and County department bank accounts held outside the County treasury.

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

Although required by Ohio Administrative Code Section 117-2-03 (B) to prepare its financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the County chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. Receipts are recognized with received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

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 cash basis accounting.

Cash Receipts-Exchange and Non-exchange Transactions

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On the cash basis, receipts are recorded in the year in which the resources are received.

Cash Disbursements

On the cash basis of accounting, disbursements are recognized at the time payments are made.

D. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, 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 amounts that the County may appropriate. The appropriation resolution is the County's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the County. The legal level of control has been established by the County at the object level within each function of each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County. The amounts reported as the original budgeted amounts in the budgetary statements are based on estimates in effect at the time the original appropriations were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the year were passed.

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

To improve cash management, all cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. For 2014, interest receipts amounted to \$31,284, which \$29,779 was recorded in the General Fund, \$1,175 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, \$240 in all other governmental funds, and \$90 in the Private Purpose Trust Fund.

F. Capital Assets

Capital assets (fixed assets) acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the basic financial statements.

G. Compensated Absences

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described. All leave will either be absorbed by time off from work or, within certain limitations, paid to the employees.

H. Long-Term Obligations

In general, bonds are recorded as cash disbursements in the basic financial statements when paid and are not accrued as liabilities.

I. Interfund Transactions

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

J. 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 \$3,172,072 in restricted net position, none is restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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.

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

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;
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 federal national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
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. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than two hundred seventy days after purchase; and
9. Bankers' acceptance for a period not to exceed one hundred and eighty days and in an amount not to exceed ten percent of the County's total average portfolio.

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

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.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

Custodial credit risk 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.

As of December 31, 2014, the County's bank balance of \$6,126,807 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

NOTE 4- BUDGETARY BASIS FUND BALANCES

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Non-GAAP Budgetary Basis presented for the General Fund and the Motor Vehicle Gasoline Tax Special Revenue Fund, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). There were no outstanding encumbrances at year end. As part of the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that were previously reported as special revenue or an agency are considered part of the General Fund on a cash basis. These include the Unclaimed Monies Fund, Certificate of Title Fund, Recorder's Equipment Fund, and Public Defender Fund. These funds were excluded from the budgetary presentation for the General Fund.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semiannually.

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 preceding 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 2014 was \$267,910,870 of which real property represented 60 percent (\$161,857,460) of the total and public utility property represented 40 percent (\$106,053,410) of the total. The full tax rate for all County operations for taxes collected in 2014 was \$14.75 per \$1,000 of assessed valuation.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 5 - PROPERTY TAXES (Continued)

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

NOTE 6 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution and vote of the people, imposed a one percent tax on certain retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2014 amounted to \$1,256,789.

NOTE 7 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a \$0 to \$5,000 deductible per occurrence:

	<u>Aggregate</u>	<u>Ea. Occurrence</u>
General Liability	\$3,000,000	\$1,000,000
Public Officials Including		
Law Enforcement	3,000,000	1,000,000
Employee Benefits	3,000,000	1,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$15,586,827.

Health insurance was provided by a private carrier, Medical Mutual for the year.

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

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

NOTE 8 - RETIREMENT SYSTEM

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 – a cost-sharing multiple-employer defined benefit pension plan.
 - 2) The Member-Directed Plan – 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.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 8 - RETIREMENT SYSTEM (Continued)

- 3) The Combined Plan – 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, but less than, 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 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 2014, 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 officers participate in only the Traditional Pension Plan.

The member contribution rates were 10.0%, 10.0%, and 10.0% for 2014, 2013, and 2012, respectively, for the County. Public safety and law enforcement members contributed at a rate of 12.0% and 13.0%, 12.0% and 12.6%, and 11.5% and 12.1% for 2014, 2013, and 2012, respectively.

The employer contribution rates were 14.0%, 14.0%, and 14.0%, of covered payroll for 2014, 2013, and 2012, respectively, for the County. For both the law enforcement and public safety divisions, the employer contribution rates were 18.10%, 18.10%, and 18.10%, respectively.

The County's contributions to OPERS for the years ended December 31, 2014, 2013, and 2012 were \$734,416, \$708,300, and \$979,665, respectively, which were equal to the required contributions for those years.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined 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. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage 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.

Employer's contributions are expressed as a percentage of the earnable salary of active members. In 2014, the County contributed at 14.0% of earnable salary for local government employer units and 18.1% for public safety and law enforcement. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% during calendar year 2014. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. At January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by the OPERS' Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$104,875 for 2014, \$50,573 for 2013, and \$279,890 for 2012, which were equal to the required allocation for each year.
- 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.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - LONG-TERM DEBT

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2014 is as follows:

Types/Issues	Outstanding At 12/31/13*	Increases	Decreases	Outstanding At 12/31/14	Due in One Year
2000 - 5.75 % County Courthouse Elevator Project General Obligation Bonds	\$ 108,669	\$ -	\$ (108,669)	\$ -	\$ -
2001 - 5.50% Juvenile Training District General Obligation Bonds	87,321	-	(87,321)	-	-
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	1,413,039	-	(71,277)	1,341,762	74,959
2014 - OWDA Forgiveness Loan	-	48,000	(48,000)	-	-
2012 -3.52% HVAC Project Promissory Note	87,108	-	(87,108)	-	-
2014 -2.95% HVAC Project Promissory Note	-	87,108	(9,806)	77,302	10,097
2012 - OWDA ARRA Forgiveness Loan	-	78,577	(78,577)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	63,000	-	(2,000)	61,000	2,000
2009 - 4.25% Auditor/Treasurer Computer Equipment General Obligation Note	54,768	-	(54,768)	-	-
Total	\$ 1,813,905	\$ 213,685	\$ (547,526)	\$ 1,480,064	\$ 87,056

* Restated – This change had no effect on net position.

The County issued General Obligation Bonds in 2000 in the amount of \$225,000 for building improvements which included the construction of an elevator in the County Courthouse. These bonds were paid in full during 2014.

The County issued General Obligation Bonds in 2001 in the amount of \$172,951 for their share of the construction costs of the South Central Ohio Regional Detention Training and Rehabilitation District. These bonds were paid in full during 2014.

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

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

The County issued a loan in 2009 in the amount of \$100,185 for a new computer operating system for the Auditor and Treasurer. This loan was paid in full during 2014.

The County issued a loan in 2012 in the amount of \$119,268 for the Vinton County Courthouse HVAC project. This loan is to be repaid through the Courthouse HVAC Debt Service Fund. This note was refinanced during 2014 in the amount of \$87,108 at an interest rate of 2.95%. Final maturity of the loan is December 2021.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - LONG-TERM DEBT (Continued)

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

The County issued an OWDA loan in 2012 in the amount of \$260,000. As of December 31, 2014, \$219,835 had been disbursed to the County, with \$78,577 disbursed during 2014 for the water pollution control project. The OWDA loan was paid by principal forgiveness from the American Reinvestment and Recovery Act.

In 2014, the County issued an OWDA loan in the amount of \$56,000. As of December 31, 2014, \$48,000 had been disbursed to the County. The OWDA loan was paid by principal forgiveness from the American Reinvestment and Recovery Act.

At December 31, 2014, the County's overall legal debt margin was \$3,067,657 with an unvoted debt margin of \$2,031,814.

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

	Community & Economic Development		HVAC Project	
	Principal	Interest	Principal	Interest
	2015	\$2,000	\$2,516	\$10,097
2016	2,000	2,434	10,392	1,912
2017	3,000	2,351	10,706	1,597
2018	3,000	2,228	11,024	1,279
2019	3,000	2,104	11,352	952
2020-2024	15,000	8,663	23,731	883
2025-2029	19,000	5,323	-	-
2030-2033	14,000	1,197	-	-
Totals	\$61,000	\$26,816	\$77,302	\$8,829

	Job & Family Services	
	Principal	Interest
2015	\$74,959	\$67,486
2016	78,830	63,616
2017	82,902	59,544
2018	87,184	55,262
2019	91,686	50,758
2020-2024	534,550	177,670
2025-2027	391,651	35,685
Totals	\$1,341,762	\$510,021

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2014 consisted of the following:

	Advances In	Advances Out
General Fund	\$9,050	\$1,342
Motor Vehicle Gas Tax Fund	9,051	0
Non-Major Funds	1,342	18,101
Total All Funds	\$19,443	\$19,443

During 2014, the General Fund advanced monies to non-major governmental funds in anticipation of intergovernmental grant revenue. Advances to the General Fund and Motor Vehicle Gas Tax Fund from the Non-Major funds, was to payback for the purchase two new sheriff's cruisers.

B. Interfund Transfers

The following transfers in and out were made during 2014:

	Transfers In	Transfers Out
General Fund	\$0	\$297,535
MVGT	0	89,627
Non-Major Funds	467,220	80,058
Total All Funds	\$467,220	\$467,220

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

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

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

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

South Central Regional Juvenile Detention Center

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2014, Vinton County contributed \$71,308 to the Center.

Buckeye Joint-County Self Insurance Council

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

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

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 2014, Vinton County paid \$112,804 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

Ohio Government Risk Management Plan

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

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

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

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

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

Vinton County Community Improvement Corporation

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

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating county represented by its Director of it Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Vinton County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2014, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 State Route 104, Building 8, Chillicothe, Ohio 45601.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Corrections Commission of Southeastern Ohio

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

The Commission was established by the Board of County Commissioners of Athens, Hocking, Morgan and Perry Counties. The Commission is directed by one Commissioner from each participating county, along with the Sheriff and the presiding Judge of the Court of Common Pleas of each participating county. Any of these may name other representatives to fulfill this duty. The presiding judge for Hocking County chose to neither participate nor name a representative so there were 14 directors of the Commission in 2014. Each member county is responsible for a portion of the capital and operating budget as follows: Athens County 41.08%; Perry County 24.32%; Hocking County 18.38%; Morgan County 8.11%; and Vinton County 8.11%.

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

South Central Ohio Job and Family Services

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

NOTE 13 - CONTINGENT LIABILITIES

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

The County is not currently party to any legal proceedings.

NOTE 14 - COMPLIANCE

The Ohio Revised Code requires the County to prepare its financial report in accordance with accounting principles generally accepted in the United States of America. The County has instead prepared its annual financial report on the cash basis of accounting, which is another comprehensive basis of accounting.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 15 – NEW ACCOUNTING PRINCIPLES

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The total pension liability will be computed on a different basis than the current actuarial accrued liability and the method of allocating this liability to each participating employer has not yet been determined; while the precise impact is not known, it is deemed likely that this pronouncement would have a material impact on governments who prepare their financial statements in accordance with accounting principles generally accepted in the United States of America. Since the County currently reports on the cash basis of accounting, there is not anticipated to be any effect on the financial statements; however, there will be additional disclosure requirements. The provisions of this statement are effective for the fiscal year ending December 31, 2015, and therefore will be adopted in the next fiscal year.

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:

<u>Fund Balances</u>	<u>General</u>	<u>Motor Vehicle Gasoline Tax</u>	<u>All Other Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable				
Unclaimed Monies	\$ 86,539	\$ -	\$ -	\$ 86,539
Restricted for				
Other Purposes	-	-	803,503	803,503
Housing Contractual	-	-	172,581	172,581
Real Estate Assessment	-	-	395,949	395,949
Road Repair and Other Purposes	-	1,320,065	-	1,320,065
Board of DD	-	-	163,507	163,507
Debt Services Payments	-	-	24,620	24,620
Capital Improvements	-	-	291,847	291,847
Total Restricted	<u>-</u>	<u>1,320,065</u>	<u>1,852,007</u>	<u>3,172,072</u>
Assigned to				
Other Purposes	64,829	-	-	64,829
Unassigned				
	<u>667,693</u>	<u>-</u>	<u>-</u>	<u>667,693</u>
Total Fund Balances	<u>\$ 819,061</u>	<u>\$ 1,320,065</u>	<u>\$ 1,852,007</u>	<u>\$ 3,991,133</u>

NOTE 17 – SUBSEQUENT EVENT

No events were noted subsequent to December 31, 2014 which would have a significant effect on the financial statements through the date of this report.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 18 – SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

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

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

In March of 2013, the County signed an agreement with ODJFS to repay the net reimbursement. The payments are being made quarterly beginning March 31, 2014 through December 31, 2018 in the amount of \$10,133.30. During 2014, the County repaid \$40,533, leaving a balance of \$162,133.

NOTE 19 – EARLY RETIREMENT INCENTIVE

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

**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
Vinton County, Ohio
100 East Main Street
McArthur, OH 45651

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, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2014, and the notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 21, 2015, wherein we noted the County's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider a material weakness. However, unidentified material weaknesses may exist.

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 effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our test 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 2014-001.

Entity's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. The County's response is not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

May 21, 2015

VINTON COUNTY, OHIO
Schedule of Findings
For the Year Ended December 31, 2014

<i>Finding Number 2014-001</i>

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 omitting 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.

VINTON COUNTY, OHIO
Schedule of Prior Audit Findings
For the Year Ended December 31, 2014

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2013-001	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 2014-001.
2013-002	Financial Statement Adjustments	Corrected	N/A
2013-003	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.	Partially Corrected	Re-issued in current Management letter.



Dave Yost • Auditor of State

VINTON COUNTY FINANCIAL CONDITION

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 2, 2015