VINTON COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

VINTON COUNTY
DECEMBER 31, 2018

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis 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, 2018, and the 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 preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support 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 Vinton County, Ohio, as of December 31 ,2018, and the respective changes in cash financial position and the respective budgetary comparison for the General and Motor Vehicle Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 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. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion and Analysis as listed in the Table of Contents. 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 our report dated October 8, 2019, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

October 8, 2019

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, 2018. 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 2018 are as follows:

- Net position of governmental activities increased $2,082,226.

- General cash receipts accounted for $9,441,302 in receipts or 59 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for $6,428,710 or 41 percent of total cash receipts of $15,870,012.

- The County had $13,787,786 in cash disbursements related to governmental activities; $6,428,710 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, sales taxes, and property taxes) of $9,441,302 were 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.

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 2018, 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, 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 and sales 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.

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 2018 as compared to 2017:

Table 1
Net Position – Cash Basis
Governmental Activities

	2018	2017
Assets		
Equity in Pooled Cash and Cash Equivalents	$9,252,293	$7,170,067
Total Assets	9,252,293	7,170,067
Net Position		
Restricted	5,771,183	5,007,345
Unrestricted	3,481,110	2,162,722
Total Net Position	$9,252,293	$7,170,067

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

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 bonds, loans and notes, payments in lieu of taxes, and miscellaneous receipts.

Table 2
Change in Net Position – Cash Basis
Governmental Activities

	2018	2017
Cash Receipts		
Program Cash Receipts:		
Charges for Services	$2,388,187	$2,323,169
Operating Grants and Contributions	4,040,523	5,881,742
Capital Grants and Contributions	0	856,356
Total Program Cash Receipts	6,428,710	9,061,267
General Cash Receipts:		
Property Taxes	3,687,928	3,049,620
Sales Taxes	1,241,048	1,387,186
Unrestricted Grants and Entitlements	3,876,310	2,046,534
Interest	103,926	38,985
Issuance of Bonds, Loans, and Notes	64,025	49,058
Proceeds from Sale of Capital Assets	105,000	0
Payments in Lieu of Taxes	1,176	22,522
Miscellaneous	361,889	285,675
Total General Cash Receipts	9,441,302	6,879,580
Total Cash Receipts	15,870,012	15,940,847
Cash Disbursements		
Program Cash Disbursements:		
General Government:		
Legislative and Executive	2,631,625	2,365,721
Judicial	1,061,215	772,703
Public Safety	1,931,550	1,793,824
Public Works	2,746,467	3,045,144
Health	2,573,874	2,455,383
Human Services	1,004,347	445,867
Community and Economic Development	677,284	479,370
Capital Outlay	882,601	2,522,126
Debt Service:		
Principal Retirement	216,308	215,547
Interest and Fiscal Charges	62,515	73,109
Total Cash Disbursements	13,787,786	14,168,794
Change in Net Position	2,082,226	1,772,053
Net Position – Beginning of Year	7,170,067	5,398,014
Net Position – End of Year	$9,252,293	$7,170,067

Net position increased $2,082,226 in governmental activities in 2018 as a result of cash receipts exceeding cash disbursements. Program cash receipts were composed of charges for services and operating grants and contributions which were $6,428,710. Property taxes increased due to the addition of a Job and Family Service tax levy that will aid children services and senior citizens. The decrease to operating grants and contributions and capital grants is due to intergovernmental monies received from the Motor Vehicle and Gas Tax program, Airport Capital program, New Horizon program, and the Safety Equipment program. Unrestricted grants and entitlements increased due to the MCO Replacement monies received from the State. Capital Outlay decreased as a result of less grant monies spent in the Airport Capital Projects program and the Motor Vehicle and Gas Tax program. Public works decreased as a result of a decrease in noncapital disbursements within the Engineer's department. The increase to judicial is due to monies spent for Court Tech and TCAP programs. Human services increased due to the additional monies spent from the Job and Family Services levy monies received. The increase to community and economic development is due to timing as to when grants are received versus when they are spent.

Governmental Activities

Operating grants and contributions made up 25 percent of cash receipts for governmental activities of the County for 2018. Property tax receipts made up 23 percent of the total cash receipts for governmental activities for a total of 48 percent of all cash receipts coming from property taxes and operating grants and contributions.

Public works cash disbursements comprise 20 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

	2018		2017	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	$2,631,625	$1,968,503	$2,365,721	$1,700,132
Judicial	1,061,215	633,363	772,703	445,551
Public Safety	1,931,550	1,281,051	1,793,824	1,094,728
Public Works	2,746,467	1,076,044	3,045,144	478,087
Health	2,573,874	1,048,752	2,455,383	437,518
Human Services	1,004,347	522,266	445,867	294,557
Community and Economic Development	677,284	265,354	479,370	81,769
Capital Outlay	882,601	427,365	2,522,126	440,843
Debt Service:				
Principal Retirement	216,308	129,317	215,547	125,857
Interest and Fiscal Charges	62,515	7,061	73,109	8,485
Total Cash Disbursements	$13,787,786	$7,359,076	$14,168,794	$5,107,527

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 $16,230,796 and cash disbursements and other financing uses of $14,148,570. The net change in fund balance for the year was most significant in the General Fund.

The Motor Vehicle Gasoline Tax Fund, which went from $2,419,171 in 2017 to $2,758,389 in 2018 had cash receipts and other financing sources that exceeded cash disbursements and other financing uses in the amount of $339,218.

General Fund cash receipts and other financing sources exceeded cash disbursements and other financing uses by $1,318,388.

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 and original budgeted revenue were $4,114,955, and $4,113,511, respectively, while actual receipts and other financing sources increased $500,962 from final budgeted revenue. The increases are due primarily to transfers in and proceeds from the sale of capital assets, which were partially offset by lower than expected tax cash receipts. Actual disbursements and other financing uses were under overall final appropriations by $808. Final appropriations and original appropriations were $4,453,538 and $4,256,482, respectively.

The County's ending unobligated General Fund cash balance was $784,918.

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 $882,601 during 2018.

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, 2018, the County had $1,177,563 in bonds and notes for governmental activities with $158,667 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

	2018	2017
County Job and Family Services Building	$1,017,887	$1,105,071
911 Communications Equipment Bond	46,563	68,520
911 Communications Equipment Note	62,113	102,255
Community and Economic Development Building	51,000	54,000
Totals	$1,177,563	$1,329,846

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, 2018, the County's overall legal debt margin was $5,365,800 with an unvoted debt margin of $3,192,500. 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 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, 2018

	Primary Government
	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 9,252,293
Total Assets	9,252,293
NET POSITION:	
Restricted for:	
Debt Service	13,725
Capital Projects	95,147
Motor Vehicle Gasoline Tax	2,758,389
Department of Developmental Disabilities	773,854
Other Purposes	579,888
Senior Citizens Levy	87,292
EMS Levy	269,690
Housing Contracutal	115,155
Indigent Drivers	95,263
County Court Computer Research	56,822
Special Projects	71,067
Real Estate Assessment	601,443
Prosecutor Law Enforcement	53,149
Communications Levy	53,282
FEMA	77,721
911 Wireless	69,296
Unrestricted	3,481,110
Total Net Position	$ 9,252,293

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, 2018

	Cash Disbursements	Program Cash Receipts: Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position — Primary Government: Total
Governmental Activities:				
General Government:				
Legislative and Executive	$ 2,631,625	$ 470,803	$ 192,319	$ (1,968,503)
Judicial	1,061,215	181,039	246,813	(633,363)
Public Safety	1,931,550	336,560	313,939	(1,281,051)
Public Works	2,746,467	437,602	1,232,821	(1,076,044)
Health	2,573,874	411,499	1,113,623	(1,048,752)
Human Services	1,004,347	167,099	314,982	(522,266)
Community and Economic Development	677,284	107,914	304,016	(265,354)
Capital Outlay	882,601	133,226	322,010	(427,365)
Debt Service:				
Principal Retirement	216,308	86,991	-	(129,317)
Interest and Fiscal Charges	62,515	55,454	-	(7,061)
Total Governmental Activities	$ 13,787,786	$ 2,388,187	$ 4,040,523	(7,359,076)
General Cash Receipts				
Property Taxes Levied for:				
General Purposes				1,256,568
MRDD				914,335
Special Purposes				1,517,025
Sales Taxes Levied for General Purposes				1,241,048
Grants and Entitlements Not Restricted to Specific Programs				3,876,310
Issuance of Loans				64,025
Proceeds from Sale of Capital Assets				105,000
Payments in Lieu of Taxes				1,176
Miscellaneous				361,889
Interest				103,926
Total General Cash Receipts				9,441,302
Change in Net Position				2,082,226
Net Position Beginning of Year				7,170,067
Net Position End of Year				$ 9,252,293

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, 2018

	General	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:				
Taxes	$ 2,497,616	$ -	$ 2,431,360	$ 4,928,976
Charges for Services	728,991	181,890	1,226,516	2,137,397
Licenses and Permits	2,275	-	15,663	17,938
Fines and Forfeitures	95,449	11,239	126,164	232,852
Intergovernmental	2,344,573	3,488,927	2,078,299	7,911,799
Interest	99,746	3,786	394	103,926
Payments in Lieu of Taxes	1,176	-	-	1,176
Contributions & Donations	-	-	5,034	5,034
Other	158,463	24,413	179,013	361,889
Total Cash Receipts	5,928,289	3,710,255	6,062,443	15,700,987
CASH DISBURSEMENTS:				
General Government:				
Legislative and Executive	2,315,522	-	316,103	2,631,625
Judicial	537,442	-	523,773	1,061,215
Public Safety	1,294,990	-	636,560	1,931,550
Public Works	-	2,746,467	-	2,746,467
Health	85,816	-	2,488,058	2,573,874
Human Services	318,065	-	686,282	1,004,347
Community and Economic Development	-	-	677,284	677,284
Capital Outlay	1,234	601,450	279,917	882,601
Debt Service:				
Principal Retirement	-	-	216,308	216,308
Interest and Fiscal Charges	-	-	62,515	62,515
Total Cash Disbursements	4,553,069	3,347,917	5,886,800	13,787,786
Excess of Cash Receipts Over (Under) Cash Disbursements	1,375,220	362,338	175,643	1,913,201
OTHER FINANCING SOURCES (USES):				
Transfers In	8,000	-	336,746	344,746
Advances In	3,036	-	13,002	16,038
Proceeds from Sale of Capital Assets	105,000	-	-	105,000
Issuance of OWDA Loans	-	-	64,025	64,025
Transfers Out	(159,866)	(23,120)	(161,760)	(344,746)
Advances Out	(13,002)	-	(3,036)	(16,038)
Total Other Financing Sources (Uses)	(56,832)	(23,120)	248,977	169,025
Net Change in Fund Cash Balances	1,318,388	339,218	424,620	2,082,226
Cash Basis Fund Balances at Beginning of Year	2,162,722	2,419,171	2,588,174	7,170,067
Cash Basis Fund Balances at End of Year	$ 3,481,110	$ 2,758,389	$ 3,012,794	$ 9,252,293
CASH BASIS ASSETS AT END OF YEAR:				
Equity in Pooled Cash and Cash Equivalents	$ 3,337,859	$ 2,758,389	$ 3,012,794	$ 9,109,042
Restricted Cash and Cash Equivalents	143,251	-	-	143,251
Total Assets	$ 3,481,110	$ 2,758,389	$ 3,012,794	$ 9,252,293
CASH FUND BALANCES AT YEAR END:				
Nonspendable	$ 143,251	$ -	$ -	$ 143,251
Restricted	-	2,758,389	3,012,794	5,771,183
Assigned	556,277	-	-	556,277
Unassigned	2,781,582	-	-	2,781,582
Total Cash Basis Fund Balances	$ 3,481,110	$ 2,758,389	$ 3,012,794	$ 9,252,293

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$ 2,896,134	$ 2,896,134	$ 2,497,616	$ (398,518)
Charges for Services	407,077	407,077	462,057	54,980
Licenses and Permits	2,150	2,150	2,275	125
Fines and Forfeitures	105,450	105,450	95,449	(10,001)
Intergovernmental	590,700	590,700	753,543	162,843
Interest	32,000	32,000	99,746	67,746
Payments in Lieu of Taxes	-	-	1,176	1,176
Other	80,000	81,444	149,019	67,575
Total Receipts	4,113,511	4,114,955	4,060,881	(54,074)
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,330,315	2,239,893	2,249,734	(9,841)
Judicial	291,899	332,788	330,023	2,765
Public Safety	1,223,958	1,326,479	1,294,990	31,489
Health	70,302	71,302	85,816	(14,514)
Human Services	219,050	247,971	318,065	(70,094)
Capital Outlay	95,250	1,400	1,234	166
Total Disbursements	4,230,774	4,219,833	4,279,862	(60,029)
Excess of Receipts Over (Under) Disbursements	(117,263)	(104,878)	(218,981)	(114,103)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	447,000	447,000
Advances In	-	-	3,036	3,036
Proceeds from Sale of Capital Assets	-	-	105,000	105,000
Transfers Out	(25,708)	(233,705)	(159,866)	73,839
Advances Out	-	-	(13,002)	(13,002)
Total Other Financing Sources (Uses)	(25,708)	(233,705)	382,168	615,873
Net Change in Fund Balance	(142,971)	(338,583)	163,187	501,770
Fund Balance at Beginning of Year	621,731	621,731	621,731	-
Fund Balance at End of Year	$ 478,760	$ 283,148	$ 784,918	$ 501,770

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Charges for Services	$ 80,000	$ 80,000	$ 181,890	$ 101,890
Fines and Forfeitures	10,000	10,000	11,239	1,239
Intergovernmental	3,050,000	3,362,908	3,488,927	126,019
Interest	1,700	1,700	3,786	2,086
Other	11,700	11,519	24,413	12,894
Total Receipts	3,153,400	3,466,127	3,710,255	244,128
DISBURSEMENTS:				
Current:				
Public Works	3,200,408	3,248,500	2,746,467	502,033
Capital Outlay	300,500	613,408	601,450	11,958
Total Disbursements	3,500,908	3,861,908	3,347,917	513,991
Excess of Receipts Over (Under) Disbursements	(347,508)	(395,781)	362,338	758,119
OTHER FINANCING SOURCES (USES):				
Transfers Out	(60,000)	(23,147)	(23,120)	27
Total Other Financing Sources (Uses)	(60,000)	(23,147)	(23,120)	27
Net Change in Fund Balance	(407,508)	(418,928)	339,218	758,146
Fund Balance at Beginning of Year	2,419,171	2,419,171	2,419,171	-
Fund Balance at End of Year	$ 2,011,663	$ 2,000,243	$ 2,758,389	$ 758,146

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, 2018

	Private Purpose Trust Fund	Agency Funds
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	$ 15,705	$ 1,891,733
Cash and Cash Equivalents in Segregated Accounts	-	218,584
Total Assets	$ 15,705	$ 2,110,317
NET POSITION:		
Unrestricted	$ -	$ 2,110,317
Held in Trust for Private Purposes	15,705	-
Total Net Position	$ 15,705	$ 2,110,317

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, 2018

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	$ 112
Total Additions	112
DEDUCTIONS:	
Scholarship's Awarded	-
Increase in Net Position	112
Net Position Beginning of Year	15,593
Net Position End of Year	$ 15,705

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

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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.

Primary Government

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 the organizations are not considered part of the County. 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

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide 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 and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. The County does not report any business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the County.

Fund Financial Statements

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

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the County presented in two categories: governmental and fiduciary.

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

General Fund The General Fund accounts for and reports all financial resources 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (continued)

Motor Vehicle Gasoline Tax Fund This fund accounts for and reports State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State statute to county road and bridge repair/improvement programs.

The other governmental funds of the County account for and report grants and other resources, debt service, and capital projects, whose use is restricted, committed or assigned 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 purely custodial in nature and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, 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.

C. Basis of Accounting

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

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the object level within each fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (continued)

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

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

E. Cash and Investments

To improve cash management, all cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2018, the County invested in nonnegotiable certificates of deposit and money market funds. Investments are reported at cost, except for the money market fund. The County's money market fund investment is recorded at the amount reported by US Bank at December 31, 2018.

For 2018, interest receipts amounted to $104,038, which $99,746 was recorded in the General Fund, $3,786 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, $394 in all other governmental funds, and $112 in the Private Purpose Trust Fund.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

G. Capital Assets

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Accumulated Leave

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

I. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

J. Internal Activity

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

K. Net Position

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 Community Development and Public Safety.

Of the County's $5,771,183 in restricted net position, none is restricted by enabling legislation.

L. Fund Balance

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

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in 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 remove or change 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 or a County official delegated that authority by resolution or by State Statute.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance (continued)

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

M. Pensions and Net PostEmployment Benefit Liability

For purposes of measuring the net pension liability and the net OPEB liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

N. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or security 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 and Government 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 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 the term of the agreement must not exceed thirty days;

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

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

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

   b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $7,389,170 of the County's bank balance of $10,650,719 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2018, the County had the following investments:

		Investment Maturities (in Years)
Investment Type	Measurement Value	Less than 1
Money Market Mutual Funds:		
First American Treasury	$5,539	$5,539
JP Morgan Security	249,635	249,635
US Treasury Bill	267,308	267,308
Negotiable Certificates of Deposit	496,304	496,304
Total Investments	$1,018,786	$1,018,786

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy addresses interest rate risk by requiring that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk The security underlying the First American Treasury Money Market Fund and the US Treasury Bill carries a rating of AAAm, while the JP Morgan Security Money Market carries a rating of AAA by Standard and Poor's. The Negotiable Certificates of Deposit are fully insured by the Federal Deposit Insurance Corporation. The County has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The County invested 51% in Money Markets and 49% in Negotiable Certificates of Deposit.

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 $1,901 outstanding encumbrances at year end for the General Fund. 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, MCO Replacement 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. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The assessed value for the taxes levied in 2018 was $319,249,990 of which real property represented 59 percent ($187,023,210) of the total and public utility property represented 41 percent ($132,226,780) of the total. The full tax rate for all County operations for taxes collected in 2018 was $17.05 per $1,000 of assessed valuation.

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 Ohio Department of Management and Budget (OBM) 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 Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2018 amounted to $1,241,048.

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 2018, 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:

	Aggregate	Ea. Occurrence
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 $15,867,121. The County evaluated its coverage and increased the amount from the prior year.

Health insurance was provided by a private carrier, Anthem Blue Cross/Blue Shield 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 except as noted above. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Net Pension Liability/Net OPEB Liability (continued)

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

The net pension liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2018 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $803,473 for fiscal year 2018.

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net Pension Liability Current Measurement Date	0.02959700%
Proportion of the Net Pension Liability Prior Measurement Date	0.02869600%
Change in Proportionate Share	0.00090100%
Proportionate Share of the Net Pension Liability	$4,643,196

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below for the OPERS Traditional Plan.

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net pension liability	$8,245,132	$4,643,196	$1,640,266

NOTE 9 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. See Note 8 for a description of the net OPEB liability.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Plan Description - Ohio Public Employees Retirement System

Plan Description - The 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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 is 0 percent for both plans. The OPERS Board 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution was $0 for 2018.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.029010%
Prior Measurement Date	0.027860%
Change in Proportionate Share	0.0011500%
Proportionate Share of the Net OPEB Liability	$3,150,272

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – OPERS (continued)

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – OPERS (continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
County's proportionate share of the net OPEB liability	$4,185,273	$3,150,272	$2,312,967

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$3,014,139	$3,150,272	$3,290,894

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 2018 is as follows:

Types/Issues	Outstanding At 12/31/17	Increases	Decreases	Outstanding At 12/31/18	Due in One Year
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	$ 1,105,071	$ -	$ (87,184)	$ 1,017,887	$ 91,687
2016 - 2.5% Communications Equipment Note	102,255	-	(40,142)	62,113	41,152
2016 - 3.9% Communications Equipment Bond	68,520	-	(21,957)	46,563	-
2018 - OWDA Forgiveness Loan	-	64,025	(64,025)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	54,000	-	(3,000)	51,000	3,000
Total	$ 1,329,846	$ 64,025	$ (216,308)	$ 1,177,563	$ 135,839

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

In 2018, the County issued an OWDA loan in the amount of $195,000, with $64,025 being drawn down in 2018. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2018.

On September 6, 2016, the County issued a note in the amount of $161,519 for the purpose of purchasing communications equipment. The note will mature June 16, 2020. The note is being paid from the Communication Levy Fund.

On February 25, 2016, the County issued a general obligation bond in the amount of $109,950 for the purpose of purchasing communications equipment. The bond was issued for a 5 year period, with the final payment due February 25, 2021. The bond will be paid from the Communications Levy Fund.

At December 31, 2018, the County’s overall legal debt margin was $5,365,800 with an unvoted debt margin of $3,192,500.

NOTE 10 - LONG-TERM DEBT (Continued)

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

	Community & Economic Development		911 Communications Note	
	Principal	Interest	Principal	Interest
2019	$3,000	2,104	$41,152	$1,296
2020	3,000	1,980	20,961	263
2021	3,000	1,856	-	-
2022	3,000	1,733	-	-
2023	3,000	1,609	-	-
2024-2028	18,000	6,065	-	-
2029-2032	18,000	1,940	-	-
Totals	$51,000	$17,287	$62,113	$1,559

	Job & Family Services		911 Communications Bond	
	Principal	Interest	Principal	Interest
2019	$91,687	$50,758	$ -	$ -
2020	96,422	46,022	22,828	1,849
2021	101,400	41,042	23,735	942
2022	106,640	35,806	-	-
2023	112,148	30,296	-	-
2024-2027	509,590	60,189	-	-
Totals	$1,017,887	$264,113	$46,563	$2,791

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2018 consisted of the following:

	Advances In	Advances Out
General Fund	$3,036	$13,002
Non-Major Funds	13,002	3,036
Total All Funds	$16,038	$16,038

During 2018, advances were made between the General Fund and non-major governmental funds in anticipation of intergovernmental grant revenue.

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

B. Interfund Transfers

The following transfers in and out were made during 2018:

	Transfers In	Transfers Out
General Fund	$8,000	$159,866
MVGT	0	23,120
Non-Major Funds	336,746	161,760
Total All Funds	$344,746	$344,746

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. The transfer to the General Fund was court ordered from the County Court Computer Legal Research fund to the County Recorder Fund, which is presented as a general fund equivalent.

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 2018, Vinton County contributed $75,134 to the Center.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

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 2018, Vinton County paid $109,180 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.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

Each participating County has agreed to levy a tax within their County to assist in the operation of the Board, whose passage requires a majority in the total three-County district. This entity is governed by an eighteen member Board that is responsible for its own financial matters and operates autonomously from Vinton County. The Athens County Auditor serves as the fiscal agent for the revenues of the Board, but the Board is responsible to budget and account for their resources. Nine of the Board Members are appointed by the Commissioners of the member Counties apportioned by population. Five of the remaining members are appointed by the Ohio Department of Alcohol and Drug Addiction 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, 2018, 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.

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 2018. 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.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows and outflows or resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

NOTE 15 – 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 2018, the County repaid the remaining balance of $40,534.

NOTE 16 - FUND BALANCES

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

Fund Balances	General	Motor Vehicle Gasoline Tax	All Other Governmental	Total Governmental Funds
Nonspendable				
Unclaimed Monies	$ 143,251	$ -	$ -	$ 143,251
Restricted for				
Other Purposes	-	-	1,258,935	1,258,935
EMS	-	-	269,690	269,690
Real Estate Assessment	-	-	601,443	601,443
Road Repair and Other Purposes	-	2,758,389	-	2,758,389
Developmental Disabilities	-	-	773,854	773,854
Debt Services Payments	-	-	13,725	13,725
Capital Improvements	-	-	95,147	95,147
Total Restricted	-	2,758,389	3,012,794	5,771,183
Assigned to				
Subsequest Appropriations	515,792	-	-	515,792
Other Purposes	40,485	-	-	40,485
Total Assigned	556,277	-	-	556,277
Unassigned	2,781,582	-	-	2,781,582
Total Fund Balances	$ 3,481,110	$ 2,758,389	$ 3,012,794	$ 9,252,293

NOTE 17 – NEW ACCOUNTING PRINCIPLES

For the fiscal year 2018, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017.*

GASB Statement No. 75 (GASB 75) establishes accounting and financial reporting requirements for governmental employers who have other post-employment benefits (OPEB) plans. The implementation of GASB Statement No. 75 did not have an effect on the financial statements of the County as the County reports on the cash basis of accounting and the net OPEB is not recorded in the accompanying financial statements; however, certain additional disclosures have been made in the notes to the basic financial statements.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB Statement No. 85 did not have an effect on the financial statements of the County.

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OHIO AUDITOR OF STATE
KEITH FABER

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

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 8, 2019, wherein we noted the County uses a special purpose framework other than 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 material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2018-001 and 2018-002.

County's Response to Findings

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

October 8, 2019

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

FINDING NUMBER 2018-001

Noncompliance

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

Ohio Admin. Code § 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles.

The County prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County’s ability to evaluate and monitor the overall financial condition of the County.

To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to 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 method of accounting is both costly to create and to audit. This may be an option in the future if the County's financial conditions improve.

FINDING NUMBER 2018-002

Noncompliance

Ohio Rev. Code § 325.071 provides, in addition to other sources of funding, county sheriff must be allowed, annually, an amount equal to one-half the officer’s salary. This amount is commonly known as the Furtherance of Justice (FOJ) Fund. This allowance is made upon order of the officer to be paid out of the General Fund in an amount not to exceed one-half of the officer’s official salary.

Further, language was included in House Bill 94 in 2001 providing that the appropriation is based only on the county paid portion of the sheriff’s salary and does not include the state paid portion.

Auditor of State Bulletin 97-014 provides the dollar amount provided to the FOJ fund is fixed by statute and may not be increased by any means. Donations to the FOJ fund are not permitted nor may additional funding be provided at the request of the county officer, even with the approval of the county commissioners. The amount equal to one-half the officer’s official salary is a not-to-exceed amount.

Nothing shall be paid under this section until the Sheriff gives bond to the state in the amount not less than the Sheriff's official salary, to be fixed by the court of common pleas or the probate court, with sureties to be approved by either of those courts

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2018-002 (Continued)

Noncompliance – Ohio Rev. Code § 325.071 (Continued)

The Sheriff's bond in place for 2018 was set at $53,888 and the bond should have been his annual salary of $69,327. Also, although the Sheriff did have a bond for his duties, a copy of the bond was not on file in the Treasurer's office and the bond was not signed by the Sheriff. This could result in question concerning the validity of the bond.

Further, the County Auditor paid $34,425 on February 13, 2018 from the General Fund into the Sheriff's FOJ Fund, which is one-half of the total Sheriff salary for a population of under fifty-five thousand. However, the Sheriff FOJ Fund should have received one half of the total County paid salary for the Sheriff which would be $30,812.

On April 17, 2019, the Sheriff paid $3,613 from the FOJ Fund to the County General Fund to repay the 2018 overpayment. This is recorded on County receipt number 150681.

The County Auditor should review Auditor of State Bulletin 2016-001 when calculating the annual amount due to the Sheriff FOJ fund. In addition, the Sheriff should ensure the bond amount agrees to his annual salary each year as required and sign the bond to attest to the validity of the bond and file it in the Treasurer's office.

Officials' Response:
The Sheriff received the first salary increase in 10 years in 2018. The amount on the bond application was not increased, resulting in a lower bond than required. This issue has been fully resolved and will be reviewed annually for any changes.

The FOJ overpayment has been fully corrected at this time and will be carefully reviewed annually to prevent overpayment in the future.

VINTON COUNTY COMMISSIONERS OFFICE

Vinton County Courthouse
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Cathi Mountjoy, Clerk ext.221

e-mail: **commissioners@vintonco.com**

Tim Eberts, President Mark Fout, Vice President William Wellman,Commissioner

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Noncompliance Citation of Ohio Rev. Code §325.071 for overpayment of Sheriff FOJ Funds, incorrect bond amount, and filing annual statement by first Monday of January.	Fully Corrected	Due to timing of the 2017 audit, corrected in 2018; 2018 corrected in 2019; and 2019 is correct.
2017-002	Noncompliance/Finding for Recovery of Ohio Rev. Code § 305.01(B) for incorrect calculation for paying County Commissioner.	Fully Corrected	
2017-003	Noncompliance/Finding for Recovery/Repaid Under Audit of Ohio Rev. Code § 315.01 for incorrect calculation for paying County Engineer.	Fully Corrected	
2017-004	Noncompliance Citation of Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) for not preparing annual financial statements in accordance with Generally Accepted Accounting Principles.	Not Corrected	Financial restraints makes the conversion and the GAAP financials, cost prohibitive. If the financial situation should ever improve, we would consider at that time.
2017-005	Noncompliance/Material Weakness of Ohio Admin Code § 117-2-02(C)(1) for budgeted amounts as approved not agreeing to the system.	Fully Corrected	

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OHIO AUDITOR OF STATE
KEITH FABER

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
OCTOBER 22, 2019