



MEIGS COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2007

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Meigs County prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 22, 2008

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MEIGS COUNTY, OHIO
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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio, (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Meigs Industries, Inc., which is included as a discrete presentation in the County's basic financial statements. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for Meigs Industries, Inc., is based solely on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

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. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, Public Assistance Fund and, Auto License and Gas Fund thereof for the year then ended in conformity with the accounting basis Note 2 describes.

Meigs County, Ohio
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal awards expenditures is required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of federal awards expenditures has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 16, 2008

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The discussion and analysis of Meigs County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2007, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements that begin on page 10 and notes to the basic financial statements which begin on page 17.

Financial Highlights

Key financial highlights for 2007 are as follows:

Total net assets increased \$170,694.

Total cash receipts were \$21,805,825 in 2007.

Total program cash receipts were \$16,022,218 in 2007.

Program cash disbursements were primarily composed of Human Services and Public Works related cash disbursements which were \$10,347,289 and \$4,115,146, respectively in 2007.

All governmental funds had total cash receipts and other financing sources of \$22,011,083 and cash disbursements and other financing uses of \$21,890,389.

Using this Basic Financial Report

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

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

Reporting the County as a Whole

The County's Reporting Entity Presentation

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

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's *net assets* and changes in those assets. This change in net assets is important because it tells the reader whether, for the County as a whole, the *cash basis financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

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

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

In the Statement of Net Assets and the Statement of Activities, all of the County's programs and services are reported as governmental activities including general government, public safety, public works, health, human services, community and economic development, capital outlay, and debt service.

Component unit activity-Meigs Industries, Inc. is a separate legal entity, but the County includes its activity since the County is financially accountable for this entity.

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The County as a Whole

Recall that the Statement of Net Assets – Cash Basis provides the perspective of the County as a whole. Table 1 provides a comparative summary of the County's Net Assets for 2007 as compared to 2006:

Table 1
 Net Assets/Cash Basis

	Governmental Activities	
<i>Assets</i>	<u>2007</u>	<u>2006</u>
Equity in Pooled Cash and Cash Equivalents	\$4,765,314	\$4,594,620
<i>Total Assets</i>	4,765,314	4,594,620
 <i>Net Assets</i>		
Restricted	4,226,021	4,134,435
Unrestricted	539,293	460,185
<i>Total Net Assets</i>	\$4,765,314	\$4,594,620

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

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Table 2 shows changes in Net Assets for fiscal year 2007 as compared to 2006.

Table 2
Changes in Net Assets/Cash Basis

	Governmental	
	Activities	
	<u>2007</u>	<u>2006</u>
<i>Cash Receipts</i>		
<i>Program Cash Receipts</i>		
Charges For Services and Sales	\$2,775,803	\$2,543,196
Operating Grants and Contributions	13,246,415	13,005,408
Total Program Cash Receipts	<u>16,022,218</u>	<u>15,548,604</u>
<i>General Cash Receipts</i>		
Property Taxes	2,765,533	2,431,549
Sales Taxes	1,230,520	1,137,807
Grants and Entitlements not		
Restricted to Specific Programs	530,627	805,416
Interest Receipts	301,806	201,920
Proceeds from the Sale of Notes	272,437	258,144
Miscellaneous	682,684	1,051,536
Total General Cash Receipts	<u>5,783,607</u>	<u>5,886,372</u>
Total Cash Receipts	<u>21,805,825</u>	<u>21,434,976</u>
<i>Cash Disbursements</i>		
<i>Program Cash Disbursements</i>		
General Government		
Legislative and Executive	1,358,083	1,414,877
Judicial	938,832	923,077
Public Safety	1,514,307	1,559,982
Public Works	4,115,146	4,171,509
Health	1,610,152	1,396,877
Human Services	10,347,289	10,394,280
Community and Economic Development	199,831	190,538
Other	513,860	407,550
Capital Outlay	712,491	71,250
Debt Service:		
Principal Retirement	276,844	303,066
Interest and Fiscal Charges	48,296	39,926
Total Cash Disbursements	<u>21,635,131</u>	<u>20,872,932</u>
 <i>Change In Net Assets</i>	 170,694	 562,044
Net Assets at Beginning of Year	<u>4,594,620</u>	<u>4,032,576</u>
Net Assets at End of Year	<u>\$ 4,765,314</u>	<u>\$ 4,594,620</u>

Meigs County
Management's Discussion and Analysis
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The increase to operating grants and contributions is due to the County receiving more grant monies during 2007. The increase to Charges for Services is due to more fines and forfeitures being collected by the County. The increase to the capital outlay disbursements is due to the monies being spent for courthouse improvements and equipment for the Highway Department.

Property taxes made up 13 percent and sales taxes made up 6 percent of cash receipts for governmental activities for Meigs County in fiscal year 2007. Operating grants and contributions made up 63 percent and charges for services and sales made up 13 percent of cash receipts for governmental activities for the County.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The County's tax receipts, intergovernmental monies, and other general revenues provided 24 percent of total cash receipts. Charges for services and operating grants and contributions provided the other 76 percent of the receipts used to support the County's governmental activities. The taxpayers (through sales and property taxes) and the State of Ohio, as a whole, provide the vast majority of resources for Meigs County. Table 3 below shows the total and net cost of services (on a cash basis) for the County.

Table 3
 Total Cost of Program Services
 Governmental Activities

	2007		2006	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Governmental Activities				
General Government				
Legislative and Executive	\$1,358,083	\$1,023,400	\$1,414,877	\$1,059,212
Judicial	938,832	672,947	923,077	661,372
Public Safety	1,514,307	569,224	1,559,982	789,806
Public Works	4,115,146	388,101	4,171,509	580,267
Health	1,610,152	311,473	1,396,877	219,820
Human Services	10,347,289	1,168,142	10,394,280	1,219,722
Community and Economic Development	199,831	16,183	190,538	42,173
Other	513,860	449,185	407,550	348,592
Capital Outlay	712,491	712,491	71,250	71,250
Debt Service				
Principal Retirement	276,844	276,844	303,066	303,066
Interest and Fiscal Charges	48,296	24,923	39,926	29,048
 Total Cash Disbursements				
- Governmental Activities	<u>\$21,635,131</u>	<u>\$5,612,913</u>	<u>\$20,872,932</u>	<u>\$5,324,328</u>

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The County's Funds

Information about the County's governmental funds starts on page 12. These funds are accounted for using the cash basis of accounting. The net change in fund balance for the year was most significant in the Auto License and Gas Fund and the Public Assistance Fund, where the Auto License and Gas Fund cash balance went from \$448,221 in 2006 to \$607,266 for 2007 and the Public Assistance Fund cash balance went from \$320,277 in 2006 to \$467,222 for 2007. The General Fund cash balance increased \$79,108. These factors along with less significant changes in the other funds resulted in total governmental fund cash balances increasing \$170,694.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. For the General Fund, final budget basis receipts were \$3,615,088, which was \$939,450 above original budget estimates of \$2,675,638. Of this difference, \$805,987 represents taxes received in excess of original estimates and various other receipt categories make up the remaining amount. Actual receipts were above final budgeted estimates in the amount of \$534,849. Of this difference, \$304,175 represents taxes received in excess of final budgeted estimates. Final estimated disbursements for public safety increased over original estimates in the amount of \$193,023 due to an increase in salaries and benefits of the sheriff's department. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were \$17,652 less than cash receipts.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but does record payments for capital assets as disbursements. The County had capital outlay disbursements of \$712,491 during fiscal year 2007.

Debt

Under the cash basis of accounting the County does not report bonds, long-term notes or short-term notes in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, long-term notes and short-term notes. At December 31, 2007 the County had \$780,245 in bonds and related long-term debt outstanding for Governmental Activities.

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

Table 4
Outstanding Debt at December 31
Governmental Activities

	2007	2006
General Obligation Bonds	\$260,000	\$325,000
OPWC Promissory Note	43,032	59,655
Loans	477,213	399,997
Totals	<u>\$780,245</u>	<u>\$784,652</u>

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

Meigs County
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Current Financial Related Activities

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

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

Contacting the County's Financial Management

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

Meigs County
Statement of Net Assets - Cash Basis
 December 31, 2007

	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 4,765,314	\$ 19,472
<i>Total Assets</i>	<u>4,765,314</u>	<u>19,472</u>
NET ASSETS:		
Restricted for Debt Service	14,677	-
Restricted for Capital Outlay	12,097	-
Restricted for MR/DD	361,481	-
Restricted for Public Assistance	467,222	-
Restricted for Auto License & Gas Tax	607,266	-
Restricted for Children's Services	415,120	-
Restricted for Emergency Medical Services	360,320	-
Restricted for Other Purposes	1,987,838	-
Unrestricted	<u>539,293</u>	<u>19,472</u>
<i>Total Net Assets</i>	<u>\$ 4,765,314</u>	<u>\$ 19,472</u>

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

Meigs County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government- Governmental Activities</u>	<u>Component Unit- Meigs Industries, Inc.</u>
Governmental Activities:					
General Government:					
Legislative and Executive	\$ 1,358,083	\$ 168,889	\$ 165,794	\$ (1,023,400)	\$ -
Judicial	938,832	116,322	149,563	(672,947)	-
Public Safety	1,514,307	529,798	415,285	(569,224)	-
Public Works	4,115,146	477,963	3,249,082	(388,101)	-
Health	1,610,152	189,003	1,109,676	(311,473)	-
Human Services	10,347,289	1,203,026	7,976,121	(1,168,142)	-
Community and Economic Development	199,831	23,177	160,471	(16,183)	-
Other	513,860	64,675	-	(449,185)	-
Capital Outlay	712,491	-	-	(712,491)	-
Debt Service:					
Principal Retirement	276,844	-	-	(276,844)	-
Interest and Fiscal Charges	48,296	2,950	20,423	(24,923)	-
<i>Total Primary Government</i>	<u>\$ 21,635,131</u>	<u>\$ 2,775,803</u>	<u>\$ 13,246,415</u>	<u>(5,612,913)</u>	<u>-</u>
Component Unit:					
Meigs Industries, Inc.	<u>\$ 309,984</u>	<u>\$ 317,717</u>	<u>\$ -</u>	<u>-</u>	<u>7,733</u>
General Cash Receipts:					
Property Taxes Levied for:					
General Purposes				1,129,591	-
Other Purposes				1,635,942	-
Sales Taxes Levied for General Purposes				1,230,520	-
Grants and Entitlements Not Restricted to Specific Programs				530,627	-
Interest Receipts				301,806	-
Proceeds from the Sale of Notes				272,437	-
Miscellaneous				682,684	-
<i>Total General Cash Receipts</i>				<u>5,783,607</u>	<u>-</u>
<i>Changes in Net Assets</i>				170,694	7,733
<i>Net Assets Beginning of Year</i>				<u>4,594,620</u>	<u>11,739</u>
<i>Net Assets End of Year</i>				<u>\$ 4,765,314</u>	<u>\$ 19,472</u>

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

Meigs County
*Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds - Cash Basis
For the Year Ended December 31, 2007*

	<u>General</u>	<u>Public Assistance</u>	<u>Auto License & Gas</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS:					
Taxes	\$ 2,360,111	\$ -	\$ -	\$ 1,635,942	\$ 3,996,053
Charges for Services	510,969	643,598	-	1,283,214	2,437,781
Licenses and Permits	1,716	-	-	1,260	2,976
Fines and Forfeitures	108,124	-	13,057	213,865	335,046
Intergovernmental	530,627	5,707,814	3,414,989	4,123,612	13,777,042
Interest	299,504	-	2,302	-	301,806
Other	338,886	94,508	7,371	241,919	682,684
<i>Total Cash Receipts</i>	<u>4,149,937</u>	<u>6,445,920</u>	<u>3,437,719</u>	<u>7,499,812</u>	<u>21,533,388</u>
CASH DISBURSEMENTS:					
Current:					
General Government:					
Legislative and Executive	1,151,624	-	-	206,459	1,358,083
Judicial	752,585	-	-	186,247	938,832
Public Safety	997,162	-	-	517,145	1,514,307
Public Works	69,139	-	3,272,773	773,234	4,115,146
Health	228,299	-	-	1,381,853	1,610,152
Human Services	297,124	6,298,975	-	3,751,190	10,347,289
Community and Economic Development	-	-	-	199,831	199,831
Other	513,860	-	-	-	513,860
Capital Outlay	-	-	-	712,491	712,491
Debt Service:					
Principal Retirement	-	-	206,359	70,485	276,844
Interest and Fiscal Charges	-	-	25,429	22,867	48,296
<i>Total Cash Disbursements</i>	<u>4,009,793</u>	<u>6,298,975</u>	<u>3,504,561</u>	<u>7,821,802</u>	<u>21,635,131</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>140,144</u>	<u>146,945</u>	<u>(66,842)</u>	<u>(321,990)</u>	<u>(101,743)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In	-	-	-	197,437	197,437
Proceeds from Sale of Notes	-	-	225,887	46,550	272,437
Advances In	2,111	-	-	5,710	7,821
Advances Out	(5,710)	-	-	(2,111)	(7,821)
Transfers Out	(57,437)	-	-	(140,000)	(197,437)
<i>Total Other Financing Sources (Uses)</i>	<u>(61,036)</u>	<u>-</u>	<u>225,887</u>	<u>107,586</u>	<u>272,437</u>
<i>Net Change in Fund Cash Balances</i>	79,108	146,945	159,045	(214,404)	170,694
<i>Cash Basis Fund Balances at Beginning of Year</i>	460,185	320,277	448,221	3,365,937	4,594,620
<i>Cash Basis Fund Balances at End of Year</i>	<u>\$ 539,293</u>	<u>\$ 467,222</u>	<u>\$ 607,266</u>	<u>\$ 3,151,533</u>	<u>\$ 4,765,314</u>
<i>Cash Basis Assets at End of Year</i>					
<i>Equity in Pooled Cash and Cash Equivalents</i>	<u>\$ 539,293</u>	<u>\$ 467,222</u>	<u>\$ 607,266</u>	<u>\$ 3,151,533</u>	<u>\$ 4,765,314</u>
Cash Basis Fund Balances at End of Year					
Reserved for Encumbrances	61,456	-	40,257	48,594	150,307
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	477,837	-	-	-	477,837
Special Revenue Funds	-	467,222	567,009	3,076,165	4,110,396
Debt Service Funds	-	-	-	14,677	14,677
Capital Projects Funds	-	-	-	12,097	12,097
<i>Total Cash Basis Fund Balances</i>	<u>\$ 539,293</u>	<u>\$ 467,222</u>	<u>\$ 607,266</u>	<u>\$ 3,151,533</u>	<u>\$ 4,765,314</u>

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

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2007*

	General Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Budgetary Basis Receipts:</u>				
Taxes	\$ 1,249,949	\$ 2,055,936	\$ 2,360,111	\$ 304,175
Charges for Services	407,014	445,115	510,969	65,854
Licenses and Permits	1,367	1,495	1,716	221
Fines and Forfeitures	86,126	94,189	108,124	13,935
Intergovernmental	422,672	462,239	530,627	68,388
Interest	238,570	260,904	299,504	38,600
Other	269,940	295,210	338,886	43,676
Total Receipts	<u>2,675,638</u>	<u>3,615,088</u>	<u>4,149,937</u>	<u>534,849</u>
<u>Budgetary Basis Disbursements:</u>				
General Government:				
Legislative and Executive	1,144,508	1,172,957	1,169,366	3,591
Judicial	701,016	777,686	774,828	2,858
Public Safety	904,749	1,097,772	1,006,212	91,560
Public Works	70,907	69,333	69,139	194
Health	128,947	177,292	228,299	(51,007)
Human Services	325,342	308,387	307,478	909
Other	449,800	507,036	515,927	(8,891)
Total Disbursements	<u>3,725,269</u>	<u>4,110,463</u>	<u>4,071,249</u>	<u>39,214</u>
Excess of Receipts Over (Under) Disbursements	<u>(1,049,631)</u>	<u>(495,375)</u>	<u>78,688</u>	<u>574,063</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	-	-	2,111	2,111
Transfers Out	(57,437)	(57,437)	(57,437)	-
Advances Out	-	-	(5,710)	(5,710)
Total Other Financing Sources (Uses)	<u>(57,437)</u>	<u>(57,437)</u>	<u>(61,036)</u>	<u>(3,599)</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	<u>(1,107,068)</u>	<u>(552,812)</u>	<u>17,652</u>	<u>570,464</u>
Fund Balance at Beginning of Year	398,182	398,182	398,182	-
Prior Year Encumbrances Appropriated	62,003	62,003	62,003	-
Fund Balance (Deficit) at End of Year	<u>\$ (646,883)</u>	<u>\$ (92,627)</u>	<u>\$ 477,837</u>	<u>\$ 570,464</u>

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

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balances - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2007*

Public Assistance Fund				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Budgetary Basis Receipts:</u>				
Charges for Services	\$ 743,000	\$ 643,598	\$ 643,598	\$ -
Intergovernmental	6,687,000	5,802,322	5,707,814	(94,508)
Other	-	-	94,508	94,508
Total Receipts	<u>7,430,000</u>	<u>6,445,920</u>	<u>6,445,920</u>	<u>-</u>
<u>Budgetary Basis Disbursements:</u>				
Human Services	<u>7,560,886</u>	<u>6,708,212</u>	<u>6,298,975</u>	<u>409,237</u>
Total Disbursements	<u>7,560,886</u>	<u>6,708,212</u>	<u>6,298,975</u>	<u>409,237</u>
Excess of Receipts Over (Under) Disbursements	<u>(130,886)</u>	<u>(262,292)</u>	<u>146,945</u>	<u>409,237</u>
Fund Balance at Beginning of Year	241,891	241,891	241,891	
Prior Year Encumbrances Appropriated	78,386	78,386	78,386	
Fund Balance at End of Year	<u>\$ 189,391</u>	<u>\$ 57,985</u>	<u>\$ 467,222</u>	<u>\$ 409,237</u>

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

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balances - Budget and Actual (Budgetary Basis)*
For the Year Ended December 31, 2007

Auto License and Gas Fund				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Budgetary Basis Receipts:				
Fines and Forfeitures	\$ 12,753	\$ 11,847	\$ 13,057	\$ 1,210
Intergovernmental	3,096,912	3,337,182	3,414,989	77,807
Interest	2,249	2,089	2,302	213
Other	7,200	6,687	7,371	684
Total Receipts	3,119,114	3,357,805	3,437,719	79,914
Budgetary Basis Disbursements:				
Public Works	3,561,434	3,800,124	3,313,030	487,094
Debt Service:				
Principal Retirement	206,358	206,358	206,358	-
Interest and Fiscal Charges	25,430	25,430	25,430	-
Total Disbursements	3,793,222	4,031,912	3,544,818	487,094
Excess of Receipts Over (Under) Disbursements	(674,108)	(674,107)	(107,099)	567,008
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	225,887	225,887	225,887	-
Total Other Financing Sources (Uses)	225,887	225,887	225,887	-
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(448,221)	(448,220)	118,788	567,008
Fund Balance at Beginning of Year	418,095	418,095	418,095	-
Prior Year Encumbrances Appropriated	30,126	30,126	30,126	-
Fund Balance at End of Year	\$ -	\$ 1	\$ 567,009	\$ 567,008

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

Meigs County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2007

	<u>Agency Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,341,138
Cash and Cash Equivalents in Segregated Accounts	<u>301,102</u>
<i>Total Assets</i>	<u>2,642,240</u>
<i>Total Net Assets</i>	<u><u>\$ 2,642,240</u></u>

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – REPORTING ENTITY

Meigs County (the County), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

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

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control, except as described below:

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

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

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

Component Unit

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

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – REPORTING ENTITY (Continued)

Separate Agencies

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

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

Other Organizations

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These basic 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). Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

The statement of net assets 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Assistance Special Revenue Fund

This fund accounts for various federal and state grants as well as transfers from the General Fund used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services.

Auto License and Gas Special Revenue Fund

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

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

Fiduciary Funds

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

E. Cash and Cash Equivalents

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

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

During 2007, the County invested in certificates of deposit.

All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners' policy. For calendar year 2007, interest receipts amounted to \$301,806. The General Fund received \$299,504 and the Auto License and Gas Fund received \$2,302.

F. Capital Assets and Depreciation

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

G. Interfund Receivables/Payables

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

H. Compensated Absences

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

I. Employer Contributions to Cost-Sharing Pension Plans

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted for Other Purposes is primarily comprised of net assets restricted for grants. The County first applies restricted resources when a disbursement is made for purposes for which both restricted and unrestricted net assets are available.

Of the County's \$4,226,021 restricted net assets, none were restricted by enabling legislation.

L. Fund Balance Reserves

The County reserves those portions of fund balance which are legally segregated for a specific future use or are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances.

M. Interfund Activity

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

NOTE 3- BUDGETARY BASIS FUND BALANCES

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The difference between the change in fund balances on the cash basis and the budgetary basis is due to encumbrances outstanding at year end (budgetary basis) as follows:

General Fund	\$61,456
Major Special Revenue Fund:	
Auto License & Gas Tax	40,257

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 – DEPOSITS AND INVESTMENTS

Primary Government

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

1. United States Treasury bills, bonds, notes, or 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 securities issued by any federal government agency or instrumentality;
3. Written repurchase and reverse repurchase agreements in the securities listed above;
4. Bond and other obligations of the State of Ohio, or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
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 described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. Commercial paper notes, corporate notes and bankers' acceptances; and
10. 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. All interest and principal shall be denominated and payable in United States funds.

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

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

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 – DEPOSITS AND INVESTMENTS

Cash on Hand: At year-end, the County had \$9,751 in un-deposited cash on hand which is included as part of Net Assets.

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

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

The County's bank balance of \$7,501,326 is either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner as described above.

Component Units

At December 31, 2007, the carrying amount of Meigs Industries, Inc.'s deposits was \$19,472 and the bank balance was \$25,439. All of the bank balance was covered by federal depository insurance.

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2007 for real and public utility property taxes represents collection of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value.

The assessed value for the taxes levied in 2007 was \$291,638,810 of which real property represented 85 percent (\$248,045,800) of the total, public utility property represented less than 1 percent (\$318,720) of the total, and tangible personal property represented 15 percent (\$43,274,290) of the total. The full tax rate for all County operations for taxes collected in 2007, was \$15.10 per \$1,000 of assessed valuation.

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

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

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County's vehicles and general liability are covered by the County Risk Sharing Authority. At December 31, 2007 the County maintained the following insurance coverage through the insurance company:

<u>Type of Coverage</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	1,000,000	-
Property	34,709,295	2,500
Equipment Breakdown	100,000,000	2,500
Crime Coverage	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Uninsured/Underinsured Motorists	250,000	2,500

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

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

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

NOTE 7 - RETIREMENT SYSTEMS

Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 7 - RETIREMENT SYSTEMS - (Continued)

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The 2007 member contribution rates were 9.5% for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs and deputy sheriffs contributed at a rate of 10.1%. Public safety division members contributed at 9.75%. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2007 was 17.17%. The County's contributions to OPERS for all employees for the years ended December 31, 2007, 2006, and 2005, were \$1,061,905, \$1,051,186, and \$863,989, respectively; 100 percent has been contributed for 2007, 2006, and 2005.

State Teachers Retirement System (STRS)

Certified teachers employed by the school for the Mentally Retarded/ Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in part, by the state or any political subdivision thereof. STRS Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling toll free (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 7 - RETIREMENT SYSTEMS - (Continued)

DC Plan Benefits - Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offer by their employer. Employees have 120 days from their employment date to select a retirement plan.

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

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

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

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries and the County was required to contribute 14%; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's contributions to STRS for the years ended December 31, 2007, 2006, and 2005, were \$34,908, \$32,360, and \$31,963, respectively; 100 percent has been contributed for 2007, 2006, and 2005.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.85% of covered payroll (17.17 percent for public safety and law enforcement) for fiscal year 2007. 5% was used to fund health care for January 1 through June 30, 2007 and 6% from July 1, through December 31, 2007.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest Actuarial Reviews performed as of December 31, 2006.

Funding Method – An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2006 was 6.5%.

Active Employee Total Payroll – An annual increase of 4.0%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from .50% to 6.30%.

Health Care – Health care cost were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 5% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants in the Traditional Pension and Combined Plans totaled 374,979 for 2007. The employer contributions that were used to fund postemployment benefits were \$421,682 for 2007. \$12 billion represents the actuarial value of OPERS' net assets available for OPEBs at December 31, 2006.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 - POSTEMPLOYMENT BENEFITS – (Continued)

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

OPERS Retirement Board adopts a Health Care Preservation Plan:

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

State Teachers Retirement System: The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certificated employees and their dependents through the Ohio Public Employees Retirement System (OPERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare B premiums. Pursuant to the Revised Code (R. C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio.

All benefits recipients pay a portion of the health care costs in the form of a monthly premium.

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. Through June 30, 2007, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the County, the amount equaled \$2,493 for the year ended December 31, 2007. The balance in the Health Care Stabilization Fund was \$4.1 billion on June 30, 2007.

For the fiscal year ended June 30, 2007, net health care costs paid by STRS Ohio were \$265,558,000. There were 122,934 eligible benefit recipients.

**MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 9 - DEBT OBLIGATIONS

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. Debt obligations are presented for informational purposes only. However, information regarding such changes in the County's general long-term obligations during 2007 is as follows:

Governmental Activities Debt:

	<u>Interest Rates</u>	<u>Outstanding 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/07</u>	<u>Due in 1 Year</u>
1992 - Human Services Building Improvement Bonds	3.50% - 7.20%	\$ 325,000	\$ -	\$ 65,000	\$ 260,000	\$ 65,000
2002 - Rural Hardship EPA	0.00%	30,225	-	1,950	28,275	1,950
2000 - OPWC Loan	2.00%	59,655	-	16,623	43,032	16,956
2003 - EMA Ford Expedition	3.70%	3,535	-	3,535	-	-
2005 - International Trucks	3.68%	108,093	-	108,093	-	-
2006 - Gradall	4.79%	258,144	-	81,643	176,501	85,985
2007 - Engineering Equip.	4.39%	-	225,887	-	225,887	110,444
2007 - Courthouse Improvements	4.79%	-	46,550	-	46,550	22,639
Total		<u>\$ 784,652</u>	<u>\$ 272,437</u>	<u>\$ 276,844</u>	<u>\$ 780,245</u>	<u>\$ 302,974</u>

The Human Services Building Improvement General Obligation Bonds were issued in 1992 in the amount of \$1,300,000. Interest rates range from 3.5% in 1992 to 7.2% in 2011. Rental income received from the Human Services Department is used to repay this debt.

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

Proceeds from the Ohio Public Works Commission (OPWC) loan in the amount of \$160,000 were used for improvements to specified county roads. Auto, License, and Gas Fund monies are used to repay this debt.

The EMA 2003 Ford Expedition Loan in the amount of \$27,000 was obtained in 2003 for the purchase of a vehicle for the Emergency Management program. Emergency Management funds are used to repay this debt.

The International Trucks Loan in the amount of \$212,296 was acquired in 2005 to finance the purchase of International Tandem Trucks for the Highway Department. Auto License and Gas Fund monies are used to repay this debt.

The Gradall loan in the amount of \$258,144 was obtained in 2006 for the purchase of a Gradall for the County Highway Department. Auto License, and Gas Fund monies are used to repay this debt.

The Engineering Equipment loan in the amount of \$225,887 was obtained in 2007 for the purchase of equipment of the County Highway Department. Auto License and Gas Fund monies will be used to repay this debt.

The Courthouse Improvements loan in the amount of \$46,550 was obtained in 2007 for the purpose of making improvements to the County Courthouse. Monies from the Debt Service Fund will be used to repay this debt.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 9 - DEBT OBLIGATIONS – (Continued)

The annual requirements to amortize debt and interest outstanding as of December 31, 2007, are as follows:

Year Ending December 31	Rural Hardship EPA Loan		Building Improvement Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 1,950	\$ -	\$ 65,000	\$ 18,330	\$ 16,957	\$ 776
2009	1,950	-	65,000	13,846	17,298	436
2010	1,950	-	65,000	9,296	8,777	88
2011	1,950	-	65,000	4,680	-	-
2012	1,950	-	-	-	-	-
2013-2017	9,750	-	-	-	-	-
2018-2022	8,775	-	-	-	-	-
Total	\$ 28,275	\$ -	\$ 260,000	\$ 46,152	\$ 43,032	\$ 1,300

Year Ending December 31	Gradall		Engineering Equipment		Courthouse Improvements	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 85,985	\$ 8,573	\$ 110,444	\$ 10,137	\$ 22,639	\$ 2,001
2009	90,516	4,386	115,443	5,138	23,911	729
Total	\$ 176,501	\$ 12,959	\$ 225,887	\$ 15,275	\$ 46,550	\$ 2,730

NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS

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

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

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2007, the County made no contributions to the Board.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)

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

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

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

A twenty-nine member policy committee, comprised of six members from each County and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the district in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Each participating County's influence is limited to the number of members each appoints to the board. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

Gallia-Meigs Regional Airport

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

Gallia-Meigs Community Action Agency

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

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 10 –JOINTLY GOVERNED ORGANIZATIONS – (Continued)

Area Agency on Aging

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

Meigs County Park District

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

NOTE 11 - PUBLIC ENTITY SHARED RISK POOL

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

NOTE 12 - CONTINGENCIES

A. Primary Government

Grants

The County has received financial assistance from federal and state agencies in the form of grants. The expenditure for funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2007.

The County is party to several lawsuits pending against the County. The County's legal counsel is uncertain as to the exact outcome of the lawsuits, but does not estimate any liability on the County's part.

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 12 – CONTINGENCIES-(Continued)

B. Component Units

Currently, there is not pending litigation against Meigs Industries, Inc.

NOTE 13-INTERFUND ACTIVITY

	Transfers In	Transfers Out
General Fund	\$0	\$57,437
Other Governmental Funds	197,437	140,000
	\$197,437	\$197,437

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.

	Advances In	Advances Out
General Fund	\$2,111	\$5,710
Other Governmental Funds	5,710	2,111
	\$7,821	\$7,821

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

NOTE 14-COMPLIANCE

Ohio Revised Code Section 5705.41(B)

At December 31, 2007, disbursements plus encumbrances exceeded appropriations in the following funds:

General:	
Health	\$51,007
Other	8,891

MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 14-COMPLIANCE – (Continued)

Ohio Rev. Code Section 5705.39

At December 31, 2007, final budgeted appropriations for the General Fund and the Mental Retardation and Developmental Disabilities Fund exceeded total estimated resources in the amount of \$92,627 and \$283,112 respectively.

Ohio Rev. Code Section 5705.36(A)(4)

At December 31, 2007, final appropriations exceeded actual resources in the 07 OHIF Home Repair Fund and the Emergency Management Fund in the amount of \$110,000 and \$76,779 respectively.

MEIGS COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. Department of Agriculture</u>			
<i>Passed through the Department of Rural Housing Preservation</i>			
Rural Housing	OMB 0348-0004	10.433	456
<i>Passed through the Ohio Department of Education</i>			
Nutrition Cluster:			
School Breakfast Program	05PU	10.553	3,127
National School Lunch Program	LLP4	10.555	7,946
Total Nutrition Cluster			11,073
Food Distribution Program	(1)	10.550	1,977
<i>Total US Department of Agriculture</i>			13,506
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Ohio Department of Development/State's Program</i>			
Community Development Block Grants:			
FY99 Rural Hardship	(1)	14.228	1,952
FY04 CDBG Formula	B-F-04-049-1	14.228	1,000
FY05 CDBG Formula	B-F-05-049-1	14.228	6,783
FY06 CDBG Formula	B-F-06-049-1	14.228	374,020
FY07 CDBG Formula	B-F-07-049-1	14.228	5,181
FY05 CHIP	B-C-05-049-1	14.228	37,426
FY07 CHIP - Ohio Housing Trust	(1)	14.228	9,758
FY07 CHIP	B-C-07-049-1	14.228	917
FY06 Rural Housing Preservation	(1)	14.228	46,745
<i>Total Community Development Block Grants</i>			483,782
HOME Investment Partnerships Program	B-C-07-049-1	14.239	180,696
<i>Total HOME Investment Partnerships Program</i>			180,696
<i>Total U.S. Department of Housing and Urban Development</i>			664,478
<u>U.S. Department of Justice</u>			
<i>Passed through Ohio Office of Criminal Justice</i>			
Local Law Enforcement Block Grants Program	2005-LE-LEB-3598	16.592	22,222
<i>Total U.S. Department of Justice</i>			22,222
<u>U.S. Department of Transportation</u>			
<i>Passed through Ohio Department of Transportation</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	(1)	20.703	400
<i>Total U.S. Department of Transportation</i>			400
<u>U.S. Department of Labor</u>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Initiative Allocation - Adult	(1)	17.258	145,569
Workforce Initiative Allocation - Youth Activities	(1)	17.259	180,637
Workforce Initiative Allocation - Administration	(1)	17.259	36,404
Workforce Initiative Allocation - Dislocated Workers	(1)	17.260	51,728
<i>Total U.S. Department of Labor</i>			414,338

MEIGS COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2007

U.S. Elections Assistance Commission

Voter Education Grant	(1)	39.011	3,095
<i>Total U.S. Elections Assistance Commission</i>			3,095

U.S. Department of Health and Human Services

Passed through the State Department of MRDD

Social Services Transportation	(1)	93.667	18,986
<i>Medical Assistance Program - CAFS:</i>			
Level 1 Waiver	5330016	93.778	5,863
IO Waiver	5330016	93.778	97,925
TCM	5330016	93.778	35,507
TCM - SCHIP	5330016	93.778	73
Administration Fee	(1)	93.778	18,417
<i>Total Medical Assistance Program - CAFS</i>			157,785
National Bioterrorism Hospital Preparedness Program	U3RHS00055-02-04	93.889	2,640
<i>Total U.S. Department of Health and Human Services</i>			179,411

U.S. Department of Education

Passed through the State Department of Education

<i>Special Education Cluster:</i>			
Special Education Grants to States	6BSF	84.027	34,008
Special Education Preschool Grant	PGS1	84.173	14,602
<i>Total Special Education Cluster</i>			48,610
State Grants for Innovative Programs	C2S1	84.298	172
Special Education Grants for Infants and Families with Disabilities	53-1-002-1-EG-05	84.181	48,651
<i>Total U.S. Department of Education</i>			97,433

U.S. Department of Homeland Security

Passed through the Ohio Emergency Management Agency

Emergency Management Performance Grants	2005-EM-T5-0001	97.042	15,368
State Homeland Security	2005-GE-T5-0001	97.073	26,487
<i>Total U.S. Department of Homeland Security</i>			41,855

Total Federal Expenditures			\$1,436,738
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(1) - Passthrough entity number not available

(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

MEIGS COUNTY
Notes to the Schedule of Federal Awards Expenditures
For the year ended December 31, 2007

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - CHILD NUTRITION CLUSTER

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

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

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required By
Government Auditing Standards**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 16, 2008. We did not audit the financial statements of Meigs Industries, Inc., which were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for Meigs Industries, Inc., is solely based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the deficiency described as item 2007-05 in the accompanying schedule of findings to be significant deficiency in internal control over financial reporting.

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

Board of Commissioners
Meigs County, Ohio
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we believe the significant deficiency in internal control over financial reporting described above is a material weakness.

We noted certain matters that we have reported to the management of the County in a separate letter dated May 16, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2007-001 through 2007-004.

We also noted certain matters that we have reported to the management of the County in a separate letter dated May 16, 2008.

The County's written responses to the findings identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities. We intended it for no one other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 16, 2008

**Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control over Compliance in
Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of Meigs County, Ohio (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 2007-004, in the accompanying schedule of findings and questioned costs, Meigs County did not comply with the requirements regarding Cash Management that are applicable to its Community Development Block Grant. Compliance with such a requirement is necessary, in our opinion, for Meigs County to comply with the requirements of this major program.

In our opinion, except for the noncompliance described in the preceding paragraph, Meigs County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that the County's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-004 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We consider the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-004 to be a material weakness.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we did identify a deficiency in internal control over compliance that we consider to be a material weakness, as defined above.

The County's written response to the finding identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 16, 2008

MEIGS COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

A. SUMMARY OF AUDITOR'S RESULTS

1. Type of Financial Statement Opinion	Unqualified
2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	Yes
3. Were there any other reportable internal control weaknesses reported at the financial statement level (GAGAS)?	No
4. Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
5. Were there any material internal control weaknesses reported for major federal programs?	Yes
6. Were there any other reportable internal control weaknesses reported for major federal programs?	No
7. Type of Major Programs' Compliance Opinion	Qualified
8. Are there any reportable findings under § .510?	No
9. Major Programs (list):	Community Development Block Grants - CFDA#14.228
10. Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Other Programs
11. Low Risk Auditee?	Yes

MEIGS COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

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

Finding Number 2007-001

Annual Financial Report - Noncompliance Citation

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

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

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

Officials Response

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

Finding Number 2007-002

Actual Receipts less than Estimated Receipts - Noncompliance Citation

Ohio Rev. Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. ORC Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriations.

Actual receipts were significantly less than estimated receipts, reducing available resources below the level of appropriations in the 2007 OHIF Home Repair Fund by \$110,000 and in the Emergency Management Fund by \$76,779. Since the expenditure of County funds is based on estimated resources, instances when actual receipts do not meet budgetary estimates could lead to overspending.

The County Auditor should monitor estimated and actual receipts. When it is apparent that actual receipts will fall short of budgetary estimates, the County Auditor should obtain a reduced amended certificate from the County Budget Commission. The Board of County Commissioners should then make corresponding reductions in appropriations.

MEIGS COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Officials Response

The County Auditor has indicated that actual receipts compared to budgetary estimates will be monitored more closely in the immediate future.

Finding Number 2007-003

Appropriations exceeded Estimated Resources - Noncompliance Citation

Ohio Rev. Code Section 5705.39 states that appropriations to any fund shall not exceed that fund's estimated resources.

Appropriations exceeded estimated resources in the General Fund by \$92,627 and in the Mental Retardation and Developmental Disabilities Fund by \$83,112.

The Board of County Commissioners should not make appropriations to any fund in excess of the amount of that fund's estimated resources.

Officials Response

The County Auditor has indicated that appropriations compared to estimated resources will be monitored more closely in the immediate future.

Finding Number 2007-004

Fifteen-Day Rule- Significant Deficiency that is a Material Weakness

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

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

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

Officials Response

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

MEIGS COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Finding Number 2007-005

Furtherance of Justice Disbursement - Significant Deficiency/Material Weakness

During testing of the disbursements from the Sheriff's FOJ Fund, it was found that 19 checks, totaling \$7,650, were paid directly to employees of the Sheriff's Departments for additional duties performed relating to the operation of the jail. These types of payments should be made as payroll disbursements and not from the FOJ bank account.

We recommend that future expenditures of this nature not be made from the FOJ Fund. The Sheriff should return these funds to the County, where the Commissioners can make a supplemental appropriation to the Sheriff's salary account, from which the payments can be properly made. In doing so, the individual payroll can be correctly recorded, individual withholdings can be made, and these amounts can be properly reflected on the employees' W-2 statements.

Officials Response

The County understands that this is not the proper way to address this situation and intends to return funds to the County if this situation arises again in the future.

MEIGS COUNTY, OHIO
Schedule of Prior Audit Findings
For the Year Ended December 31, 2007

Finding Number	Description	Status	Comments
	<i>Government Auditing Standards:</i>		
2006-001	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2007-001.

MEIGS COUNTY, OHIO
Corrective Action Plan
For the Year Ended December 31, 2007

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2007-001	County does not anticipate filing on a GAAP basis until financial conditions improve.	No estimated date.	Mary Byer-Hill, Auditor County Commissioners: Mick Davenport, President Jim Sheets, Vice President Jeff Thornton, Member
2007-002	County will monitor actual receipts compared to budgetary estimates and request amended certificates when necessary.	Immediate future	Mary Byer-Hill, Auditor County Commissioners: Mick Davenport, President Jim Sheets, Vice President Jeff Thornton, Member
2007-003	County will monitor appropriations compared to estimated resources.	Immediate future	Mary Byer-Hill, Auditor County Commissioners: Mick Davenport, President Jim Sheets, Vice President Jeff Thornton, Member
2007-004	Grants Office director will monitor cash needs more closely to help ensure the prompt disbursement of grant funds.	Immediate future	Mary Byer-Hill, Auditor County Commissioners: Mick Davenport, President Jim Sheets, Vice President Jeff Thornton, Member
2007-005	Sheriff's Departments plans to return funds to the County General Fund when planned to use for payroll so they can be appropriated and properly reported.	Immediate future	Robert E. Beegle, Sheriff



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

MEIGS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 5, 2008**