MONROE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER

MONROE COUNTY
DECEMBER 31, 2019

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Maintenance, Developmental Disabilities, and Federal Emergency Management Agency Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.
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The Schedule of Expenditures of Federal Awards (the Schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 7, 2020

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Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of Monroe County's (the County) financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the County's basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The County's total net position increased by $2,577,723 from the total net position at the beginning of the year 2019.
- At the close of the current year, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by $59,715,750 (net position). Of this amount, ($17,273,997) is unrestricted and that, when positive, may be used to meet the County's ongoing obligations to citizens and creditors.
- The County had $38,571,208 in expenses related to governmental activities; program specific charges for services, grants, contributions, and interest were not sufficient to provide for these expenses and as a result, general revenues of $15,717,903 were needed to help increase carryover net position into the next year.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of $25,337,126, an increase of $5,648,677 from the prior year. Of this amount, $1,130,622 is non-spendable, $13,899,605 is restricted, $954 is committed, $1,051,361 is assigned, and $9,254,584 is unassigned and available for spending on behalf of its citizens, as defined in Governmental Accounting Standards Board Statement (GASB) No. 54.
- At the end of the current year, unassigned fund balance for the General Fund was $9,318,640 which represents 91 percent of total General Fund expenditures.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements then proceed to provide an increased detailed look at specific financial conditions. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets.

Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds in more detail than the government-wide statements. Nonmajor funds are presented separately from major funds in total and in one column.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question.

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these reported as net position. The Statement of Activities presents information showing how the County's net position changed during the current year.

These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sole business-type activity is the Care Center.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to its residents. The County's major governmental funds are the General Fund and the Maintenance, Developmental Disabilities, and Federal Emergency Management Agency (FEMA) Special Revenue Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds - The County maintains one proprietary fund, the Care Center Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided on the government-wide and fund financial statements.

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2019 compared to 2018:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	$38,347,697	$29,060,602	($7,223,737)	($6,138,602)	$31,123,960	$22,922,000
Noncurrent Assets:						
Net Pension/OPEB Assets	76,200	67,616	10,722	10,589	86,922	78,205
Capital Assets, Net	74,963,205	72,565,063	2,253,822	2,344,601	77,217,027	74,909,664
Total Assets	113,387,102	101,693,281	(4,959,193)	(3,783,412)	108,427,909	97,909,869
Deferred Outflows of Resources:						
Pension	6,180,509	2,490,034	1,262,483	938,538	7,442,204	3,414,583
OPEB	1,325,746	568,231	286,856	366,910	1,612,602	933,832
Total Deferred Outflows of Resources	7,506,255	3,058,265	1,549,339	1,305,448	9,054,806	4,348,415
Liabilities:						
Current and Other Liabilities	1,385,506	2,306,025	205,711	208,771	1,591,217	2,514,796
Long-Term Liabilities:						
Due Within One Year	629,844	560,379	201,484	179,451	831,328	739,830
Due in More Than One Year:						
Net Pension Liability	17,151,284	8,600,329	3,447,690	1,945,227	20,598,974	10,545,556
Net OPEB Liability	7,681,133	5,450,881	1,573,244	1,278,604	9,254,377	6,729,485
Other Amounts	16,039,141	15,982,970	1,066,927	1,205,136	17,106,068	17,188,106
Total Liabilities	42,886,908	32,900,584	6,495,056	4,817,189	49,381,964	37,717,773
Deferred Infows of Resources:						
Property Taxes not intended to Finance Current Year Operations	7,987,337	4,259,819	0	0	7,987,337	4,259,819
Pension	278,574	1,995,609	65,908	626,552	343,694	2,608,172
OPEB	49,701	440,555	4,269	95,247	53,970	534,493
Total Deferred Inflows of Resources	8,315,612	6,695,983	70,177	721,799	8,385,001	7,402,484
Net Position:						
Net Investment in Capital Assets	58,914,126	55,935,525	1,111,365	1,084,195	60,025,491	57,019,720
Restricted	16,964,256	12,328,194	0	0	16,964,256	12,328,194
Unrestricted (Deficit)	(6,187,545)	(3,108,740)	(11,086,452)	(9,101,147)	(17,273,997)	(12,209,887)
Total Net Position (Deficit)	$69,690,837	$65,154,979	($9,975,087)	($8,016,952)	$59,715,750	$57,138,027

The net pension liability (NPL) is the largest liability reported by the County at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27". The County has also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension/OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB (asset) liability, respectively, not accounted for as deferred inflows/outflows.

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $59,715,750 ($69,690,837 in governmental activities and ($9,975,087) in business-type activities) as of December 31, 2019.

By far, the largest portion of the County's net position, $60,025,491, or 101 percent, reflects its investment in capital assets (e.g., land, land improvements, infrastructure, buildings and improvements, and vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. This category of net position increased by $3,005,771 with the largest change shown in governmental activities.

The next largest portion of the County's net position, $16,964,256, or 28 percent, represents resources that are subject to restrictions on how they can be used. This category of net position increased by $4,636,062 from the prior year.

The balance of unrestricted net position is ($17,273,997) or (29) percent. In cases where this number is positive, this amount can be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position decreased from the prior year in the amount of $5,064,110.

Current and other assets increased in the amount of $8,201,960. The majority of this increase is in governmental activities and due to increases in cash and cash equivalents and property taxes receivable. The County has benefited from the economics of the oil and gas industry. In addition to large sales tax revenues, the tax base, specifically public utility personal property tax valuations, have increased by thirty-one percent from the prior year. Intergovernmental receivables increased by $187,056 from 2018. The County has continued its participation in federal and state grants in order to ease the burden of operating costs paid for with local monies. Capital assets increased by $2,307,363 from the prior year. Major additions to the County's infrastructure accounted for this increase as capital outlays and capital contributions exceeded depreciation in the current period.

The significant increase in deferred outflows of resources is largely due to the reported pension and OPEB amounts pursuant to GASB Statement Numbers 68 and 75.

Current and other liabilities decreased in the amount of $923,579. In the prior year, the County accrued contracts payable relating to the final stages of the jail construction. Long-term liabilities, other than the net pension/OPEB liabilities, increased minimally. Even with the issuance of OPWC and Municipal Lease loans, the County has continued to make required debt service payments. The liability for compensated absences remained consistent from the prior year, minimally increasing by $28,674.

The largest reason that total liabilities increased by $11,664,191 was due to an increase in net pension and OPEB liabilities. These liabilities represent the County's proportionate share of the OPERS traditional plan's and STRS plan's unfunded benefits. Different factors, including changes in pension benefits, contribution rates, and return on investments affect the balance of the total pension/OPEB liability.

Table 2 shows the changes in net position for 2019, compared to the changes in net position for 2018:

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues						
Charges for Services	$4,554,526	$3,779,409	$2,552,210	$2,493,471	$7,106,736	$6,272,880
Operating Grants, Contributions, and Interest	15,252,976	9,227,933	0	0	15,252,976	9,227,933
Capital Grants and Contributions	7,581,661	11,001,873	0	0	7,581,661	11,001,873
Total Program Revenues	27,389,163	24,009,215	2,552,210	2,493,471	29,941,373	26,502,686
General Revenues						
Property Taxes	6,654,264	4,539,968	0	0	6,654,264	4,539,968
Permissive Sales Taxes	4,859,920	5,441,519	0	0	4,859,920	5,441,519
Intergovernmental	608,866	451,665	0	0	608,866	451,665
Lease Royalty Revenue	8,686	10,560	0	0	8,686	10,560
Investment Earnings	297,019	230,448	0	0	297,019	230,448
Gain on Sale of Capital Assets	0	304	0	0	0	304
Miscellaneous	3,289,148	3,049,573	2,119	25,039	3,291,267	3,074,612
Total General Revenues	15,717,903	13,724,037	2,119	25,039	15,720,022	13,749,076
Total Revenues	43,107,066	37,733,252	2,554,329	2,518,510	45,661,395	40,251,762
Program Expenses						
General Government						
Legislative and Executive	8,306,725	4,829,115	0	0	8,306,725	4,829,115
Judicial	1,872,494	1,538,261	0	0	1,872,494	1,538,261
Public Safety	8,249,872	6,848,236	0	0	8,249,872	6,848,236
Public Works	10,547,261	5,423,127	0	0	10,547,261	5,423,127
Health	3,718,310	2,799,484	0	0	3,718,310	2,799,484
Human Services	4,502,963	4,320,869	0	0	4,502,963	4,320,869
Economic Development	981,691	280,941	0	0	981,691	280,941
Interest and Fiscal Charges	391,892	343,272	0	0	391,892	343,272
Care Center	0	0	4,512,464	4,538,800	4,512,464	4,538,800
Total Expenses	38,571,208	26,383,305	4,512,464	4,538,800	43,083,672	30,922,105
Change in Net Position	4,535,858	11,349,947	(1,958,135)	(2,020,290)	2,577,723	9,329,657
Net Position (Deficit) Beginning of Year	65,154,979	53,805,032	(8,016,952)	(5,996,662)	57,138,027	47,808,370
Net Position (Deficit) End of Year	$69,690,837	$65,154,979	($9,975,087)	($8,016,952)	$59,715,750	$57,138,027

Governmental Activities

Total revenues of governmental activities increased by $5,373,814 during 2019. The County's direct charges to users of governmental services made up $4,554,526 or 11 percent of total governmental revenues. These charges are for fees for real estate transfers, deed and lease recordings, rent, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits and housing of prisoners from other governments. Operating grants, contributions, and restricted interest made up $15,252,976 and represents 35 percent of total revenues for governmental activities. The County maintained its participation in various federal and state grants; however part of this increase is the result of the County being in the first year of multi-year grants and the receivable, along with the associated revenue, has increased. Grant revenues from the Federal Emergency Management Agency are largest source of operating grants and represent reimbursements relating to various road and bridge maintenance and repairs during 2019. Capital grants and contributions decreased $3,420,212. This revenue is mostly attributable to capital contributions of infrastructure from the oil and gas industry and as such the program public works showed net revenue for 2019 and did not need to rely on the general revenues of the County to cover expenses.

Property tax revenues are the County's largest own source revenue and account for 15 percent of total revenues. This general revenue showed the largest fluctuation from the prior year with an increase of $2,114,296. As mentioned earlier, the County's tax valuations have increased from the prior year. Permissive sales tax revenues account for $4,859,920 or 11 percent of total governmental revenues and are directly reflective of the economy and taxable sales within the County.

The County's largest expense program during 2019 was public works. With expenses of $10,547,261, this program had one of the largest changes from the prior year, an increase of $5,124,134 or 94 percent of the prior year amount. Operating expenditures in the Maintenance Special Revenue Fund produced this difference as an increased amount of noncapitalized maintenance expenditures on various roads and bridges were necessary during 2019. Another major program expenses for governmental activities is public safety which accounted for $8,249,872 which reflects a 20 percent increase from the prior year. Now in operation, the new constructed jail started depreciating during 2019. Other major program expenses include legislative and executive which accounted for $8,306,725, and human services which accounted for $4,502,963.

Business-Type Activities

The net position for business-type activities decreased $1,958,135 during 2019 minimally changing from the prior year of $2,020,290. Charges for services were the only program revenue, accounting for $2,552,210 or 99 percent of total business-type revenues. This revenue is derived from residents of the County's care and rehabilitation center and yearly fluctuations are based on the resident census and is dependent also on Medicaid/Medicare eligible residents. Due to the lack of sufficient operating revenue, the Care Center has had to rely upon the County's general government to provide advances to meet day to day needs. The accumulated interfund payable as of year-end totaled $7,616,471, an increase of $860,980 from the prior year.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2019, as compared to 2018. The Statement of Activities reflects the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and unrestricted interest earnings.

Table 3
Governmental Activities

	Total Cost of Services 2019	Net Cost (Revenue) of Services 2019	Total Cost of Services 2018	Net Cost (Revenue) of Services 2018
General Government				
Legislative and Executive	$8,306,725	$6,348,050	$4,829,115	$3,349,808
Judicial	1,872,494	1,128,503	1,538,261	782,930
Public Safety	8,249,872	5,912,355	6,848,236	5,113,127
Public Works	10,547,261	(6,128,699)	5,423,127	(9,452,949)
Health	3,718,310	2,708,059	2,799,484	1,952,805
Human Services	4,502,963	943,043	4,320,869	694,869
Economic Development	981,691	(121,158)	280,941	(409,772)
Interest and Fiscal Charges	391,892	391,892	343,272	343,272
Total Expenses	$38,571,208	$11,182,045	$26,383,305	$2,374,090

Charges for services, operating and capital grants, contributions, and interest of $27,389,163, were received and used to fund the governmental activities expenses of the County for 2019. The remaining governmental expenses in the amount of $11,182,045 are funded by property and permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues. The net cost of $7,476,553 in the legislative and executive and judicial programs represent activities related to the governing body as well as activities that directly support other County programs that serve the County's residents. As a result, these programs rely on the general revenues of the County to support their activities. During 2019, public safety net cost of services of $5,912,355 indicates that the permissive sales tax and property tax levies are necessary for the operation of the sheriff's department and other public safety activity due to insufficient program revenues for these operations. The $2,708,059 in net cost of services for health programs demonstrates the amount of the costs of services that were not supported from state and federal resources during 2019. As such, the taxpayers have approved property tax levies for the developmental disabilities program. The net revenue in the public works program in the amount of $6,128,699 is primarily the result of capital donations recognized by the engineer's office for on-behalf work done on infrastructure throughout the County.

Financial Analysis of County Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Governmental Accounting Standards Board (GASB) Statement No. 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of resources reported in governmental funds. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2019, the County's governmental funds reported a combined ending fund balance of $25,337,126, an increase of $5,648,677 in comparison with the prior year. Of that total ending fund balance, $1,130,622 is non-spendable, $13,899,605 is restricted, $954 is committed, $1,051,361 is assigned, and $9,254,584 is unassigned, as defined in GASB Statement No. 54. Detailed purposes of the amount restricted can be found on page 19, Balance Sheet - Governmental Funds.

The General Fund is the primary operating fund of the County. At the end of 2019, unassigned fund balance was $9,318,640, while total fund balance was $10,773,370. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 91 percent to total General Fund expenditures, while total fund balance represents 105 percent of that same amount. The fund balance increased from 2018 by $1,103,611. Management was successful at working hard to maintain expenditures and other financing uses at or below fixed revenue sources adding to the adequate carryover fund balance for the past few years.

The fund balance of the Maintenance Special Revenue Fund at December 31, 2019 was $6,055,175, an increase of $3,171,073 from the previous year. This 110 percent change is a direct result of increased revenues from state shared funding and also reimbursements from the oil and gas industry related to infrastructure maintenance.

At the end of 2019, the Developmental Disabilities Special Revenue Fund had an ending fund balance of $3,833,614, an increase of 49 percent from the prior year. Property taxes receivable have added to this increase as the County's tax base has increased. In addition, this fund has been able to add to the carryover cash balance as it has successfully controlled expenditures below fixed revenues.

The FEMA Special Revenue Fund once again is a major fund during 2019 as the County was awarded federal and state monies for approved disaster relief efforts. This fund recorded receivables and payables according to generally accepted accounting principles. Most of the funding is reimbursed to the County after it is spent which results in a minimal carryover balance into the next year.

Proprietary Funds - The County maintains one proprietary fund, the Care Center Enterprise Fund. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. As of December 31, 2019, net position for the County's enterprise fund was (9,975,087). Of that total, ($11,086,452) represents unrestricted net position. The County Care Center has raised fees and limited spending to attempt to increase their net position for the following year. As discussed earlier, the census of patients has increased from the prior year resulting in an increase in operating revenue. However, operating expenses and accumulated borrowing from the County's General Fund in the total amount of $7,616,471, has created the majority of the overall deficit net position.

General Fund Budgetary 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. By State statute, the Board of County Commissioners adopts a temporary operating budget for the County prior to the first day of January.

The Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

During the course of 2019, the County amended its General Fund estimated revenues and appropriations, and the budgetary statements reflect both the original and final budgeted amounts. The change from the original to the final estimate for ending fund balance was an increase of $240,843 due to the budgeting of advances, increased appropriations for public safety programs and transfers out. For the General Fund, actual revenues were $320,070 lower than final budgeted amounts due mostly to liberal estimates for miscellaneous revenues. Ending fund balance was $1,489,640 higher than final estimates of $365,574 due to higher expenditure estimates in all programs, including transfers out.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2019, were $77,217,027 (net of accumulated depreciation). This includes land, land improvements, infrastructure, buildings and improvements, and vehicles and equipment. Table 4 provides a comparison of capital assets as of the end of 2018 and 2019. In addition, Note 9 (Capital Assets) provides capital asset activity during 2019:

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and Land Improvements	$17,334,209	$15,539,476	$0	$0	$17,334,209	$15,539,476
Land Improvements	52,704	52,704	0	0	52,704	52,704
Infrastructure	36,728,496	36,079,904	0	0	36,728,496	36,079,904
Buildings and Improvements	16,912,122	17,474,366	2,231,211	2,315,622	19,143,333	19,789,988
Vehicles and Equipment	3,935,674	3,418,613	22,611	28,979	3,958,285	3,447,592
Total Capital Assets	$74,963,205	$72,565,063	$2,253,822	$2,344,601	$77,217,027	$74,909,664

Long-Term Debt - As of December 31, 2019, the County had total debt outstanding of $17,231,006; $16,049,079 in governmental activities and $1,181,927 in business-type activities. Table 5 outlines the long-term debt held by the County during 2019 and 2018:

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	$15,361,428	$15,617,000	$1,181,927	$1,299,990	$16,543,355	$16,916,990
OPWC Loans	343,475	225,000	0	0	343,475	225,000
E-Squad Municipal Lease Loan	292,100	0	0	0	292,100	0
Capital Leases	52,076	104,397	0	3,833	52,076	108,230
Total Long-Term Debt	$16,049,079	$15,946,397	$1,181,927	$1,303,823	$17,231,006	$17,250,220

In addition to the above debt, the County's long-term obligations include compensated absences and net pension/OPEB liability. Additional information on the County's long-term debt can be found in Note 15 of this report. The County's total unvoted legal debt margin at December 31, 2019, was $8,879,068.

Moody's Investor Service, Inc., has assigned a rating of MIG 2 to the outstanding County Jail Facilities Notes that were issued during 2016.

Economic Factors

The County is currently stable financially with the help of the recent increase in the oil and gas industry. Department heads are continuing to remain within their appropriated budgets for the year.

The various economic factors were considered in the preparation of the County's 2019 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Pandora Neuhart, Monroe County Auditor, 101 North Main Street, Room 22, Woodsfield, Ohio 43793.

Monroe County, Ohio
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business - Type Activities	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	$15,438,091	$36,399	$15,474,490
Cash and Cash Equivalents In Segregated Accounts	0	3,603	3,603
Cash and Cash Equivalents with Fiscal Agents	335,998	0	335,998
Property Taxes Receivable	8,382,764	0	8,382,764
Permissive Motor Vehicle License Taxes Receivable	5,763	0	5,763
Accrued Interest Receivable	10,508	0	10,508
Accounts Receivable	245,118	303,372	548,490
Internal Balances	7,616,471	(7,616,471)	0
Intergovernmental Receivable	4,177,270	0	4,177,270
Prepaid Items	320,441	37,515	357,956
Sales Taxes Receivable	1,022,767	0	1,022,767
Loans Receivable	2,661	0	2,661
Materials and Supplies Inventory	789,845	11,845	801,690
Net Pension Asset	52,350	10,722	63,072
Net OPEB Asset	23,850	0	23,850
Non-Depreciable Capital Assets	17,334,209	0	17,334,209
Depreciable Capital Assets, Net	57,628,996	2,253,822	59,882,818
Total Assets	113,387,102	(4,959,193)	108,427,909
Deferred Outflows of Resources			
Pension	6,180,509	1,262,483	7,442,204
OPEB	1,325,746	286,856	1,612,602
Total Deferred Outflows of Resources	7,506,255	1,549,339	9,054,806
Liabilities			
Accounts Payable	560,559	100,431	660,990
Accrued Wages Payable	225,238	58,580	283,818
Intergovernmental Payable	196,341	41,330	237,671
Accrued Interest Payable	124,219	5,370	129,589
Unearned Revenue	279,149	0	279,149
Long-Term Liabilities:			
Due Within One Year	629,844	201,484	831,328
Due In More Than One Year:			
Net Pension Liability (See Note 11)	17,151,284	3,447,690	20,598,974
Net OPEB Liability (See Note 12)	7,681,133	1,573,244	9,254,377
Other Amounts Due In More Than One Year	16,039,141	1,066,927	17,106,068
Total Liabilities	42,886,908	6,495,056	49,381,964
Deferred Inflows of Resources			
Property Taxes not Levied to Finance Current Year Operations	7,987,337	0	7,987,337
Pension	278,574	65,908	343,694
OPEB	49,701	4,269	53,970
Total Liabilities	8,315,612	70,177	8,385,001
Net Position			
Net Investment in Capital Assets	58,914,126	1,111,365	60,025,491
Restricted for:			
Other Purposes	195,640	0	195,640
Unclaimed Monies	17,675	0	17,675
Capital Projects	254,743	0	254,743
Public Safety Services	843,298	0	843,298
Public Assistance	268,368	0	268,368
Child Support Enforcement	546,583	0	546,583
Children Services	557,750	0	557,750
Health	322,919	0	322,919
Court Operations	574,417	0	574,417
Real Estate Assessment	1,000,372	0	1,000,372
Delinquent Tax Collection	150,660	0	150,660
Road and Bridge Maintenance	7,557,027	0	7,557,027
Developmental Disabilities	4,002,166	0	4,002,166
Community Development	672,638	0	672,638
Unrestricted (Deficit)	(6,187,545)	(11,086,452)	(17,273,997)
Total Net Position (Deficit)	$69,690,837	($9,975,087)	$59,715,750

* After deferred outflows and deferred inflows related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Governmental Activities	Business - Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government:							
Legislative and Executive	$8,306,725	$1,575,000	$383,675	$0	($6,348,050)	$0	($6,348,050)
Judicial	1,872,494	348,264	395,727	0	(1,128,503)	0	(1,128,503)
Public Safety	8,249,872	1,875,903	461,614	0	(5,912,355)	0	(5,912,355)
Public Works	10,547,261	187,900	8,955,084	7,532,976	6,128,699	0	6,128,699
Health	3,718,310	146,319	826,347	37,585	(2,708,059)	0	(2,708,059)
Human Services	4,502,963	394,794	3,154,026	11,100	(943,043)	0	(943,043)
Economic Development	981,691	26,346	1,076,503	0	121,158	0	121,158
Interest and Fiscal Charges	391,892	0	0	0	(391,892)	0	(391,892)
Total Governmental Activities	38,571,208	4,554,526	15,252,976	7,581,661	(11,182,045)	0	(11,182,045)
Business-Type Activities:							
Care Center	4,512,464	2,552,210	0	0	0	(1,960,254)	(1,960,254)
Total Business-Type Activities	4,512,464	2,552,210	0	0	0	(1,960,254)	(1,960,254)
Total Primary Government	$43,083,672	$7,106,736	$15,252,976	$7,581,661	(11,182,045)	(1,960,254)	(13,142,299)
		General Revenues					
		Property Taxes Levied for:					
		General Purposes			3,223,285	0	3,223,285
		Health			3,430,979	0	3,430,979
		Sales Taxes Levied for General Purposes			4,859,920	0	4,859,920
		Grants and Entitlements not Restricted to Specific Programs			608,866	0	608,866
		Lease and Royalty Revenue			8,686	0	8,686
		Investment Earnings			297,019	0	297,019
		Miscellaneous			3,289,148	2,119	3,291,267
		Total General Revenues			15,717,903	2,119	15,720,022
		Change in Net Position			4,535,858	(1,958,135)	2,577,723
		Net Position (Deficit) Beginning of Year			65,154,979	(8,016,952)	57,138,027
		Net Position (Deficit) End of Year			$69,690,837	($9,975,087)	$59,715,750

See accompanying notes to the basic financial statements

Monroe County, Ohio
Balance Sheet
Governmental Funds
December 31, 2019

	General	Maintenance	Developmental Disabilities	FEMA	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$2,309,633	$4,284,811	$3,525,092	$166,119	$5,108,680	$15,394,335
Cash and Cash Equivalents with Fiscal Agents	0	0	335,998	0	0	335,998
Receivables:						
Property Taxes	4,086,204	0	3,174,993	0	1,121,567	8,382,764
Interfund	7,795,328	455,869	0	0	48,242	8,299,439
Accrued Interest	10,508	0	0	0	0	10,508
Accounts	213,384	15,476	0	0	16,258	245,118
Intergovernmental	380,709	2,179,921	130,685	494,871	991,084	4,177,270
Permissive Motor Vehicle License	0	5,763	0	0	0	5,763
Sales Taxes	1,022,767	0	0	0	0	1,022,767
Loans Receivable	0	0	0	0	2,661	2,661
Prepaid Items	252,514	20,039	13,220	0	34,668	320,441
Materials and Supplies Inventory	132,226	648,407	1,753	0	7,459	789,845
Restricted Cash and Cash Equivalents	17,675	0	0	0	26,081	43,756
Total Assets	$16,220,948	$7,610,286	$7,181,741	$660,990	$7,356,700	$39,030,665
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$277,083	$50,235	$69,783	$0	$163,458	$560,559
Interfund Payable	1,086	35,930	0	452,182	193,770	682,968
Accrued Wages Payable	113,797	52,378	19,428	0	39,635	225,238
Unearned Revenue	0	0	0	0	279,149	279,149
Intergovernmental Payable	96,375	22,766	11,047	0	66,153	196,341
Total Liabilities	488,341	161,309	100,258	452,182	742,165	1,944,255
Deferred Inflows of Revenues						
Property Taxes not Levied to Finance Current Year Operations	3,893,452	0	3,025,224	0	1,068,661	7,987,337
Unavailable Revenue	1,065,785	1,393,802	222,645	138,670	941,045	3,761,947
Total Deferred Inflows of Revenues	4,959,237	1,393,802	3,247,869	138,670	2,009,706	11,749,284
Fund Balances						
Nonspendable:						
Inventory	132,226	648,407	1,753	0	7,459	789,845
Prepaids	252,514	20,039	13,220	0	34,668	320,441
Long-Term Receivables	0	0	0	0	2,661	2,661
Unclaimed Monies	17,675	0	0	0	0	17,675
Restricted to:						
Capital Projects	0	0	0	0	161,538	161,538
Court Corrections	0	0	0	0	553,061	553,061
Roads and Bridges	0	5,386,729	0	0	4,113	5,390,842
Human Services	0	0	0	0	59,341	59,341
Public Assistance	0	0	0	0	300,060	300,060
Child Support Enforcement	0	0	0	0	502,778	502,778
Children Services	0	0	0	0	557,750	557,750
Community Development	0	0	0	0	120,793	120,793
Public Safety Services	0	0	0	70,138	600,232	670,370
Developmental Disabilities	0	0	3,818,641	0	0	3,818,641
Health	0	0	0	0	348,999	348,999
Real Estate Assessment	0	0	0	0	999,432	999,432
Delinquent Tax Collection	0	0	0	0	150,213	150,213
Other Purposes	0	0	0	0	265,787	265,787
Committed to Unpaid Obligations	954	0	0	0	0	954
Assigned to:						
Purchases on Order	13,436	0	0	0	0	13,436
Subsequent Year's Appropriations	1,037,925	0	0	0	0	1,037,925
Unassigned (Deficit)	9,318,640	0	0	0	(64,056)	9,254,584
Total Fund Balances	10,773,370	6,055,175	3,833,614	70,138	4,604,829	25,337,126
Total Liabilities, Deferred Inflows of Revenues, and Fund Balances	$16,220,948	$7,610,286	$7,181,741	$660,990	$7,356,700	$39,030,665

See accompanying notes to the basic financial statements

Monroe County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019

Total Governmental Fund Balances		$25,337,126
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		74,963,205
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	395,427	
Permissive Sales Taxes	342,171	
Intergovernmental	2,693,068	
Accounts	331,281	
Total		3,761,947
The net pension/OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period, therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	52,350	
Net OPEB Asset	23,850	
Deferred Outflows - Pension	6,180,509	
Deferred Inflows - Pension	(278,574)	
Net Pension Liability	(17,151,284)	
Deferred Outflows - OPEB	1,325,746	
Deferred Inflows - OPEB	(49,701)	
Net OPEB Liability	(7,681,133)	
Total		(17,578,237)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(124,219)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds	(15,361,428)	
Long-term Loans	(635,575)	
Compensated Absences	(619,906)	
Capital Leases	(52,076)	
Total		(16,668,985)
Net Position of Governmental Activities		$69,690,837

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Maintenance	Developmental Disabilities	FEMA	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$3,080,317	$0	$2,424,432	$0	$845,787	$6,350,536
Permissive Sales Taxes	4,902,259	0	0	0	0	4,902,259
Pernissive MVL Taxes	0	80,079	0	0	0	80,079
Intergovernmental	1,140,909	4,285,033	810,261	4,196,521	5,225,551	15,658,275
Interest	284,548	9,496	4,799	0	13,344	312,187
Licenses and Permits	700	67,116	0	0	60,993	128,809
Fines and Forfeitures	58,924	19,510	0	0	57,805	136,239
Rentals	0	0	0	0	2,762	2,762
Lease and Royalty Revenue	11,518	0	0	0	683	12,201
Charges for Services	2,825,697	20,995	1,611	0	1,272,434	4,120,737
Contributions and Donations	25	0	0	0	16,238	16,263
Other	503,852	2,638,017	26,383	0	103,768	3,272,020
Total Revenues	12,808,749	7,120,246	3,267,486	4,196,521	7,599,365	34,992,367
Expenditures						
Current:						
General Government:						
Legislative and Executive	3,108,655	0	0	0	341,629	3,450,284
Judicial	1,137,851	0	0	0	433,216	1,571,067
Public Safety	4,950,028	0	0	0	1,037,537	5,987,565
Public Works	162,100	4,060,407	0	4,530,943	825,628	9,579,078
Health	463,581	0	2,001,743	0	803,066	3,268,390
Human Services	402,319	0	0	0	3,436,590	3,838,909
Economic Development	0	0	0	0	980,906	980,906
Capital Outlay	0	0	0	0	380,926	380,926
Debt Service:						
Principal Retirement	1,608	75,513	0	0	305,605	382,726
Interest and Fiscal Charges	32	7,069	0	0	386,796	393,897
Total Expenditures	10,226,174	4,142,989	2,001,743	4,530,943	8,931,899	29,833,748
Excess of Revenues Over (Under) Expenditures	2,582,575	2,977,257	1,265,743	(334,422)	(1,332,534)	5,158,619
Other Financing Sources (Use)						
Transfers In	2,239	190,066	1,313	0	1,402,224	1,595,842
Loans Issued	0	0	0	0	485,408	485,408
Proceeds from Sale of Capital Assets	0	3,750	900	0	0	4,650
Transfers Out	(1,481,203)	0	0	0	(114,639)	(1,595,842)
Total Other Financing Sources (Use)	(1,478,964)	193,816	2,213	0	1,772,993	490,058
Net Change in Fund Balances	1,103,611	3,171,073	1,267,956	(334,422)	440,459	5,648,677
Fund Balances Beginning of Year	9,669,759	2,884,102	2,565,658	404,560	4,164,370	19,688,449
Fund Balances End of Year	$10,773,370	$6,055,175	$3,833,614	$70,138	$4,604,829	$25,337,126

See accompanying notes to the basic financial statements

Monroe County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Net Change in Fund Balances - Governmental Funds		$5,648,677
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and capital contributions exceeded depreciation in the current period:		
Capital Asset Additions - Capital Outlay	2,852,261	
Capital Asset Additions - Capital Contributions	7,132,976	
Current Year Depreciation	(3,299,870)	
Total		6,685,367
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of loss from the disposal of assets.		
Proceeds from Sale of Capital Assets	(4,650)	
Loss on Disposal of Capital Assets	(4,282,575)	
Total		(4,287,225)
Revenues and expenses in the statement of activities that do not provide current financial resources are not reported as revenues and expenditures in the funds:		
Property Taxes	303,728	
Intergovernmental	468,512	
Sales Taxes	(42,339)	
Licenses and Permits	200	
Charges for Services	85,700	
Royalty Revenue	(3,515)	
Other	17,128	
Total		829,414
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,269,816	
OPEB	45	
Total		1,269,861
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(4,406,052)	
OPEB	(1,080,553)	
Total		(5,486,605)
Long-term loan proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of net position		(485,408)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Bonds	255,572	
Loans	74,833	
Capital Leases	52,321	
Total		382,726
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		2,005
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated Absences Payable		(22,954)
Change in Net Position of Governmental Activities		$4,535,858

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$2,412,000	$2,875,489	$2,945,772	$70,283
Permissive Sales Taxes	5,000,000	5,100,000	5,175,771	75,771
Intergovernmental	898,286	1,209,836	1,156,184	(53,652)
Charges for Services	2,281,887	2,858,682	2,788,440	(70,242)
Fines and Forfeitures	60,100	60,100	58,924	(1,176)
Licenses and Permits	700	700	800	100
Interest	150,000	236,923	265,964	29,041
Contributions and Donations	1,500	1,500	25	(1,475)
Rent	5,000	5,000	0	(5,000)
Lease and Royalty Revenue	24,000	24,000	18,631	(5,369)
Other	191,500	935,452	577,101	(358,351)
Total Revenues	11,024,973	13,307,682	12,987,612	(320,070)
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,983,547	3,450,480	3,228,535	221,945
Judicial	1,246,908	1,269,149	1,162,857	106,292
Public Safety	5,326,772	5,797,064	5,141,701	655,363
Public Works	135,882	163,766	144,727	19,039
Health	546,545	582,509	498,777	83,732
Human Services	533,437	548,540	385,327	163,213
Debt Service:				
Principal Retirement	1,608	1,608	1,608	0
Interest and Fiscal Charges	32	32	32	0
Total Expenditures	10,774,731	11,813,148	10,563,564	1,249,584
Excess of Revenues Over Expenditures	250,242	1,494,534	2,424,048	929,514
Other Financing Sources (Uses)				
Transfers In	31,186	34,010	2,239	(31,771)
Advances In	24,000	33,307	16,000	(17,307)
Transfers Out	(1,546,659)	(2,063,100)	(1,481,203)	581,897
Advances Out	(500,000)	(999,139)	(971,832)	27,307
Total Other Financing Sources (Uses)	(1,991,473)	(2,994,922)	(2,434,796)	560,126
Net Change in Fund Balance	(1,741,231)	(1,500,388)	(10,748)	1,489,640
Fund Balance at Beginning of Year	1,473,901	1,473,901	1,473,901	0
Prior Year Encumbrances Appropriated	392,061	392,061	392,061	0
Fund Balance at End of Year	$124,731	$365,574	$1,855,214	$1,489,640

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Maintenance Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Permissive Motor Vehicle License Tax	$100,000	$100,000	$80,016	($19,984)
Intergovernmental	3,360,000	4,117,413	4,046,194	(71,219)
Charges for Services	25,000	25,000	22,540	(2,460)
Licenses and Permits	45,000	45,000	65,381	20,381
Fines and Forfeitures	15,000	15,000	19,510	4,510
Interest	6,500	6,500	9,900	3,400
Other	10,000	2,273,500	2,621,278	347,778
Total Revenues	3,561,500	6,582,413	6,864,819	282,406
Expenditures				
Current:				
Public Works	3,642,281	6,932,429	4,303,210	2,629,219
Debt Service:				
Principal Retirement	75,513	75,513	75,513	0
Interest and Fiscal Charges	7,069	7,069	7,069	0
Total Expenditures	3,724,863	7,015,011	4,385,792	2,629,219
Excess of Revenues Over (Under) Expenditures	(163,363)	(432,598)	2,479,027	2,911,625
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	3,750	3,750
Transfers In	75,000	75,000	190,066	115,066
Transfers Out	0	(121,432)	0	121,432
Advances In	0	0	700,000	700,000
Advances Out	0	(468,473)	(452,182)	16,291
Total Other Financing Sources (Uses)	75,000	(514,905)	441,634	956,539
Net Change in Fund Balance	(88,363)	(947,503)	2,920,661	3,868,164
Fund Balance at Beginning of Year	1,201,977	1,201,977	1,201,977	0
Prior Year Encumbrances Appropriated	88,363	88,363	88,363	0
Fund Balance at End of Year	$1,201,977	$342,837	$4,211,001	$3,868,164

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Developmental Disabilities
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$1,505,000	$1,505,000	$2,309,106	$804,106
Charges for Services	2,000	2,000	1,611	(389)
Intergovernmental	667,000	667,000	822,783	155,783
Interest	1,000	1,000	4,799	3,799
Other	32,000	32,000	26,383	(5,617)
Total Revenues	2,207,000	2,207,000	3,164,682	957,682
Expenditures				
Current:				
Health	2,155,390	2,489,653	2,036,833	452,820
Excess of Revenues Over (Under) Expenditures	51,610	(282,653)	1,127,849	1,410,502
Other Financing Sources (Use)				
Proceeds from Sale of Capital Assets	0	0	900	900
Transfers In	250,000	250,000	1,313	(248,687)
Transfers Out	(150,000)	(1,130,000)	0	1,130,000
Total Other Financing Sources (Use)	100,000	(880,000)	2,213	882,213
Net Change in Fund Balance	151,610	(1,162,653)	1,130,062	2,292,715
Fund Balance at Beginning of Year	2,521,757	2,521,757	2,521,757	0
Prior Year Encumbrances Appropriated	27,390	27,390	27,390	0
Fund Balance at End of Year	$2,700,757	$1,386,494	$3,679,209	$2,292,715

See accompanying notes to the basic financial statements

Monroe County, Ohio

Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Agency
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	$0	$6,991,173	$4,709,035	($2,282,138)
Expenditures				
Current:				
Public Works	611,092	7,083,396	5,399,658	1,683,738
Excess of Revenues (Under) Expenditures	(611,092)	(92,223)	(690,623)	(598,400)
Other Financing Source (Use)				
Advances In	0	0	452,182	452,182
Advances Out	0	(700,000)	(700,000)	0
Total Other Financing Source (Use)	0	(700,000)	(247,818)	452,182
Net Change in Fund Balance	(611,092)	(792,223)	(938,441)	(146,218)
Fund Balance at Beginning of Year	493,468	493,468	493,468	0
Prior Year Encumbrances Appropriated	611,092	611,092	611,092	0
Fund Balance at End of Year	$493,468	$312,337	$166,119	($146,218)

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2019

	Business-Type Activity
	Care Center
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$36,399
Cash and Cash Equivalents in Segregated Accounts	3,603
Accounts Receivable	303,372
Prepaid Items	37,515
Materials and Supplies Inventory	11,845
Total Current Assets	392,734
Noncurrent Assets:	
Net Pension Asset	10,722
Depreciable Capital Assets, Net	2,253,822
Total Noncurrent Assets	2,264,544
Total Assets	2,657,278
Deferred Outflows of Resources	
Pension	1,262,483
OPEB	286,856
Total Deferred Outflows of Resources	1,549,339
Liabilities	
Current Liabilities:	
Accounts Payable	100,431
Accrued Wages Payable	58,580
Intergovernmental Payable	41,330
Accrued Interest Payable	5,370
Compensated Absences Payable	86,484
General Obliation Bonds Payable	115,000
Interfund Payable	7,616,471
Total Current Liabilities	8,023,666
Long-Term Liabilities (Net of Current Portion):	
General Obligation Bonds Payable	1,066,927
Net Pension Liability	3,447,690
Net OPEB Liability	1,573,244
Total Long-Term Liabilities	6,087,861
Total Liabilities	14,111,527
Deferred Inflows of Resources	
Pension	65,908
OPEB	4,269
Total Deferred Inflows of Resources	70,177
Net Position	
Net Investment in Capital Assets	1,111,365
Unrestricted (Deficit)	(11,086,452)
Total Net Position (Deficit)	($9,975,087)

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2019

	Business-Type Activity
	Care Center
Operating Revenues	
Charges for Services	$2,552,210
Other	1,651
Total Operating Revenues	2,553,861
Operating Expenses	
Personal Services	3,476,031
Contractual Services	600,831
Materials and Supplies	269,768
Depreciation	90,779
Other	8,929
Total Operating Expenses	4,446,338
Operating Loss	(1,892,477)
Non-Operating Revenue (Expense)	
Other Non-Operating Revenue	468
Interest and Fiscal Charges	(66,126)
Total Non-Operating Revenue (Expense)	(65,658)
Change in Net Position	(1,958,135)
Net Position (Deficit) Beginning of Year	(8,016,952)
Net Position (Deficit) End of Year	($9,975,087)

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2019

	Business-Type Activity Care Center
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	$2,703,177
Cash Received from Other Operating Revenues	1,651
Cash Received from Other Non-Operating Revenues	468
Cash Payments for Employee Services and Benefits	(2,578,569)
Cash Payments for Goods and Services	(1,003,201)
Cash Payments for Other Operating Expenses	(8,363)
Net Cash Used for Operating Activities	(884,837)
Cash Flows from Noncapital Financing Activities	
Advances In	971,832
Advances Out	(6,000)
Net Cash Provided by Noncapital Financing Activities	965,832
Cash Flows from Capital and Related Financing Activities	
Principal Paid on General Obligation Bonds	(115,000)
Principal Paid Capital Leases	(3,833)
Interest and Fiscal Charges Paid on General Obligation Bonds	(69,105)
Interest and Fiscal Charges Paid on Capital Leases	(500)
Net Cash Used for Capital and Related Financing Activities	(188,438)
Net Decrease in Cash and Cash Equivalents	(107,443)
Cash and Cash Equivalents Beginning of Year	147,445
Cash and Cash Equivalents End of Year	$40,002
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	($1,892,477)
Adjustments:	
Depreciation	90,779
Other Non-Operating Revenues	468
Changes in Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources:	
Decrease in Accounts Receivable	150,967
Decrease in Materials and Supplies Inventory	2,487
Increase in Prepaid Items	(36,742)
Decrease in Deferred Outflows of Resources - Pension	999,313
Decrease in Deferred Outflows of Resources - OPEB	224,043
Decrease in Accounts Payable	(19,066)
Increase in Accrued Wages Payable	10,293
Increase in Compensated Absences Payable	5,720
Decrease in Interfund Payable	(104,852)
Decrease in Deferred Inflows of Resources - Pension	(374,611)
Decrease in Deferred Inflows of Resources - OPEB	(26,506)
Decrease in Net Pension Liability	(6,961)
Increase in Net OPEB Liability	86,179
Increase in Intergovernmental Payable	6,129
Net Cash Used for Operating Activities	($884,837)

See accompanying notes to the basic financial statements

Monroe County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2019

Assets	
Equity in Pooled Cash and Cash Equivalents	$5,325,446
Cash and Cash Equivalents in Segregated Accounts	1,113,679
Investments in Segregated Accounts	60,474
Receivables:	
Property Taxes	54,019,272
Accounts	125,277
Permissive Motor Vehicle License	1,523
Intergovernmental	2,183,092
Total Assets	$62,828,763
Liabilities	
Intergovernmental Payable	$60,822,704
Deposits Held and Due to Others	860,996
Undistributed Monies	1,145,063
Total Liabilities	$62,828,763

See accompanying notes to the basic financial statements

NOTE 1 - REPORTING ENTITY

Established in 1813, Monroe County, Ohio (the County), is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a County Court Judge, and a Common Pleas-Juvenile-Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and chief administrators of public services for the County, including each of these departments.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County.

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 program'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 access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for that are fiscally dependent on the County in that the County approves the budget, the levying of taxes, the issuance of debt, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The Monroe Adult Crafts Organization, Inc. (Workshop) was previously presented as a component unit of the County. However, for 2019, this component unit's activity was considered insignificant and thus excluded from the financial statements.

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuing of debt, or the levying of taxes:

Monroe County Agricultural Society
Monroe County Historical Society

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

Monroe County General Health District (District) - The District is a separately elected governing body that is legally separate. The five-member Board of Directors which oversees the operation of the District is elected by a District Advisory Council comprised of township trustees, mayors of participating municipalities, and members of the District, and approves the District's budget; however, this oversight is ministerial. The County will report the District and its activity will be reported as an agency fund.

***Monroe County Soil and Water Conservation District (SWCD)* -** The SWCD is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the SWCD are elected officials, authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize SWCD expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The Monroe County Regional Planning Commission, the Monroe County Family and Children First Council, and the Monroe County Park District are presented as agency funds of the County because the County Auditor is the fiscal agent for these organizations.

The County participates in the following organizations which are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is discussed in Note 18.

Buckeye Hills Regional Council (Council)
Southeastern Ohio Joint Solid Waste District (District)
Guernsey-Monroe-Noble Community Action Corporation (GMN)
Belmont, Harrison, and Monroe Counties Cluster
Mental Health Recovery Board (Board)
Monroe County Family and Children First Council
Buckeye Hills Resource Conservation and Development Project (RC&D)
Mid Eastern Ohio Regional Council of Governments (MEORC)
Ohio Valley Employment Resource
Oakview Juvenile Residential Center

The County is associated with the following organizations which are defined as related organizations. Additional financial information concerning the related organizations is presented in Note 19.

Monroe County District Public Library
Monroe County Community Improvement Corporation (CIC)
Monroe County Emergency Medical Service (EMS)

The County is associated with the County Risk Sharing Authority, Inc. (CORSA) and the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program which are defined as public entity pools. Additional information concerning these organizations is presented in Note 20.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the County's accounting policies are described below.

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

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

<u>Fund Accounting</u>

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

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

> General Fund - The General Fund, the County's primary operating fund, accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> Maintenance Fund - This fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvements programs.

Developmental Disabilities Fund - This fund accounts for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the developmentally disabled. County expenditures have been for social service contracts, medical providers, and costs to maintain and operate buildings and buses provided for the developmentally disabled.

Federal Emergency Management Agency (FEMA) – This fund accounts for state and federal grants restricted to expenditures relating to a disaster response within the County.

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

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprises funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County reports the following major enterprise fund:

Care Center Fund - The Care Center Fund accounts for activity associated with the operation of a nursing home and rehabilitation center. Revenues are derived from patients and other non-operating sources. Expenses are for operating and capital related financing activities from the operation of the center.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. 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 (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are all classified as agency funds. The agency funds account for assets held by the County as agent for the Board of Health and other districts and entities and for various taxes and state shared resources collected on behalf of and distributed to other local governments.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes (see Note 7), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criterial have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County unavailable revenue includes delinquent property taxes, permissive sales taxes, accounts receivable, and intergovernmental grants and entitlements. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 20. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

Budgetary Process

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

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

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.

Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee, fiscal agent, or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2019, investments were limited to money markets, federal agency securities, marketable certificates of deposit, non-participating certificates of deposit, and STAROhio. Except for nonparticipating certificates of deposit, investments are reported at fair value which is based on quoted market prices. Non-participating certificates of deposit are reported at cost or amortized cost. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The County measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four advance notice is appreciated for deposits and withdrawals of $25 million or more. STAROhio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The County has segregated accounts for monies held separate from the County's central bank accounts. These bank accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County Treasury. The County has amounts presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" which represents money held by a jointly governed organization (see Note 5).

Provisions of the Ohio Revised Code restrict investment procedures. Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue is distributed to the funds according to the Monroe County Prosecutor's interpretation of Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2019 amounted to $284,548 which includes $248,611 assigned from other County funds.

Restricted Assets

The Governmental Balance Sheet is showing restricted cash and cash equivalents in the General Fund and DRETAC Special Revenue Fund for unclaimed monies not available for appropriation.

Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. Using these criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term and long-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of $5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land, land improvements, and construction in progress. Improvements are depreciated or amortized over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Infrastructure	25-75 Years	25-75 Years
Buildings and Improvements	20-40 Years	20-40 Years
Vehicles and Equipment	4-20 Years	4-20 Years

Infrastructure consisting of roads and bridges are capitalized and includes infrastructure acquired prior to the implementation of Governmental Accounting Standards Board Statement No. 34.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The liability for vacation benefits is recorded as a long-term liability, as the balances can be accumulated for greater than one year.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees with twenty or more years of service at any age or 10 years of service at age 50.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, long-term loans, and long-term notes are recognized as a liability in the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Bond Premiums, Discounts, and Issuance Costs

Bond Premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

On the governmental fund financial statements, governmental fund types recognize bond premiums or discounts in the period in which the related debt is issued. The face amount of the debt issue is reported as other financing sources. Premiums received or discounts paid on debt issuances are shown as other financing sources or uses on the governmental fund financial statements. Debt issuance costs are reported as expenses in the period incurred.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Capital Contributions

Contributions of capital arise from contributions of capital assets from governmental activities to business-type activities, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, prepaids, as well as inventory, unless the use of the proceeds from the collection of those receivables, or from the use of the prepaids and inventory, is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the County Commissioners. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2020's appropriated budget.

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

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

Internal Activity

The County uses an internal proportionate share to allocate its net pension/OPEB liability and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, this allowing the total column to present the change in proportionate share for the County as a whole.

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

Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include the activities and programs associated with senior services, youth services, and local health and victims advocate programs. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for operating a nursing home and rehabilitation center. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

C. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance.

D. Unrecorded cash and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

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

F. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

Adjustments necessary to convert the results of operations at year-end on the Budget basis to the GAAP basis are as follows:

	General	Maintenance	Developmental Disabilities	FEMA
GAAP Basis	$1,103,611	$3,171,073	$1,267,956	($334,422)
Net Adjustment for Revenue Accruals	256,960	(255,831)	12,522	512,514
Beginning of the Year:				
Unrecorded Cash	49,917	428	0	0
Agency Fund Cash Allocation	128,750	0	30,591	0
Prepaid Items	256,414	11,272	5,032	0
End of the Year:				
Unrecorded Cash	(86,529)	(24)	0	0
Agency Fund Cash Allocation	(170,235)	0	(145,917)	0
Prepaid Items	(252,514)	(20,039)	(13,220)	0
Net Adjustment for Expenditure Accruals	(125,960)	(160,250)	9,062	(868,715)
Advances In	16,000	700,000	0	452,182
Advances Out	(971,832)	(452,182)	0	(700,000)
Encumbrances	(215,330)	(73,786)	(35,964)	0
Budget Basis	($10,748)	$2,920,661	$1,130,062	($938,441)

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

Accountability

The Dog and Kennel and Emergency Management Agency Special Revenue Funds and the Care Center Enterprise Fund had deficit fund balance/net position in the amounts of $46,760, $15,447, and $9,975,087, respectively, as of December 31, 2019. These deficits are due to the recognition of payables in accordance with generally accepted accounting principles as well as interfund loans from the General Fund needed for operations by the Care Center Enterprise Fund. The General Fund provides operating transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

Contrary to Section 5705.39, Revised Code, the following fund had final appropriations exceeding final estimated resources:

Care Center Fund - $283,999

Contrary to Section 5705.41, Revised Code, the following funds/accounts had expenditures plus encumbrances in excess of appropriations:

General Fund
  Legislative & Executive
    County Treasurer
      Other - $587

E-Squad Levy Special Revenue Fund
  Health
    Capital Outlay - $350
  Capital Outlay
    Capital Outlay - $351,583

Issue II Capital Projects Fund
  Public Works
    Capital Outlay - $533,475

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current 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.

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, 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.

At December 31, 2019, the Developmental Disabilities Special Revenue Fund had a cash balance of $335,998 with MEORC, a jointly governed organization (see Note 18). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 40. Any risk associated with the cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Director of Financial Operations, 1 Avalon Road, Mt. Vernon, Ohio 43050.

Cash on Hand

At year-end, the County had $21,953 in undeposited cash on hand which is included on the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents" and "Cash and Cash Equivalents in Segregated Accounts".

Investments

As of December 31, 2019, the County had the following investments which are in the internal investment pool:

	Measure-ment Amount	Maturity	Percent of Total Investments	Rating	Rating Agency
Fair Value - Level 2 Inputs:					
US Treasury Bill	$1,325,713	2/15/2020-8/31/2021	20%	N/A	N/A
Federal Farm Credit Bonds	320,339	8/20/2024	5%	AA+	S&P
Federal Home Loan Bonds	300,021	8/26/2022	5%	AA+	S&P
Marketable Certificates of Deposit	4,526,979	5/22/2020-8/21/2024	70%	Not Rated	N/A
Net Asset Value Per Share:					
STAROhio	9,208,982	55.7 days	N/A	AAAm	S&P
Total	$15,682,034				

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2019. The County's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk The County's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The County has no investment policy that would limit its investment choices other than what has been approved by State statute.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agency but not in the County's name. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, were levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2019, was $9.30 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Real Property	$475,791,500
Public Utility Personal Property	457,252,940
Total Assessed Value	$933,044,440

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

NOTE 7 - PERMISSIVE SALES AND USE TAXES

In 1967, in accordance with Section 5739.02 of the Revised Code, counties were authorized to levy an excise tax of 0.5% to 1-1/2%. The tax must be levied pursuant to a resolution of the County Commissioners and a copy of the resolution of the County Commissioners sent to the Tax Commissioner not later than 60 days prior to the effective date of the tax.

Vendor collections of the permissive sales tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County. Proceeds of the tax are credited entirely to the General Fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2019, consisted of taxes, sales taxes, interfund, accrued interest, accounts (billings for user charged services), loans, permissive motor vehicle license tax, and intergovernmental receivables arising from grants, entitlements, and shared revenues. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Property Tax Allocations	$111,901
Local Government, Local Government Reveneue Assistance, and Library and Local Governmental Support Subsidies	186,753
Motor Vehicle License Tax	432,129
Motor Vehicle Gas Tax	1,743,294
Community Development Block Grants	574,184
Casino Revenue	80,873
Indigent Defense	37,485
Justice Reinvestment Grants	24,464
DARE Grants	5,463
Youth Services Grants	31,271
Targeted Community Alternatives Grant	37,500
FEMA Grants	494,871
Emergency Management Grants and Subsidies	5,899
Public Assistance Grants and Subsidies	107,071
Child Support Enforcement Grants and Subsidies	56,221
Federal IV-E Reimbursements	39,933
Monroe County Public Transportation Grants	26,971
Community Corrections Grants	10,627
Developmental Disabilities State and Federal Grants and Subsidies	22,581
VWAP Grants	26,736
Miscellaneous Intergovernmental Receivables	121,043
Total Intergovernmental Receivables	$4,177,270

Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Management believes all other receivables are fully collectible within one year, except for property taxes and loans.

Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $395,427 may not be collected within one year.

The Community Development Block Grant Special Revenue Fund reflects loans receivable of $2,661. This amount is for the principal owed to the County for Federal Community Development Block Grant Program monies loaned to businesses for improvements.

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Governmental Activities				
Non-Depreciable Capital Assets:				
Land and Land Improvements	$15,539,476	$2,709,475	($914,742)	$17,334,209
Depreciable Capital Assets:				
Land Improvements	52,704	0	0	52,704
Infrastructure	42,357,074	6,009,903	(3,806,283)	44,560,694
Buildings and Improvements	19,600,795	24,300	0	19,625,095
Vehicles and Equipment	8,806,407	1,241,559	(196,987)	9,850,979
Total Depreciable Capital Assets	70,816,980	7,275,762	(4,003,270)	74,089,472
Accumulated Depreciation:				
Infrastructure	(6,277,170)	(2,047,371)	492,343	(7,832,198)
Buildings and Improvements	(2,126,429)	(586,544)	0	(2,712,973)
Vehicles and Equipment	(5,387,794)	(665,955)	138,444	(5,915,305)
Total Accumulated Depreciation	(13,791,393)	(3,299,870) *	630,787	(16,460,476)
Total Depreciable Capital Assets, Net	57,025,587	3,975,892	(3,372,483)	57,628,996
Governmental Capital Assets, Net	$72,565,063	$6,685,367	($4,287,225)	$74,963,205

*Depreciation expense was charged to governmental activities as follows:

Legislative and Executive	$71,297
Judicial	20,106
Public Safety	712,869
Public Works	2,247,178
Health	165,848
Human Services	81,787
Economic Development	785
Total Depreciation Expense	$3,299,870

During 2019, the County received infrastructure capital contributions valued at $7,132,976 from vendors in the oil and gas industry. These contributions are the result of keeping the condition of the roads at, or above, standards set by the County Engineer.

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Business - Type Activities				
Depreciable Capital Assets:				
Buildings and Improvements	$3,972,843	$0	$0	$3,972,843
Vehicles and Equipment	159,786	0	0	159,786
Total Depreciable Capital Assets	4,132,629	0	0	4,132,629
Accumulated Depreciation:				
Buildings and Improvements	(1,657,221)	(84,411)	0	(1,741,632)
Vehicles and Equipment	(130,807)	(6,368)	0	(137,175)
Total Accumulated Depreciation	(1,788,028)	(90,779)	0	(1,878,807)
Total Depreciable Capital Assets/ Business-Type Activities Capital Assets, Net	$2,344,601	($90,779)	$0	$2,253,822

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. The County contracts with County Risk Sharing Authority, Inc. (CORSA) to address liability, auto, and crime insurance coverage. CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage is as follows:

General Liability	$1,000,000 each occurrence
Law Enforcement Liability	$1,000,000 each occurrence
Automobile Liability	$1,000,000 each occurrence
Errors and Omissions Liability	$1,000,000 each occurrence
	$1,000,000 annual aggregate
	$100,000 each occurrence back wages
Excess Liability	$3,000,000 each occurrence
	$3,000,000 annual aggregate
Ohio Stop Gap Employers' Liability	$1,000,000 each occurrence
Employee Benefits Liability	$1,000,000 each occurrence
Cyber Liability	$1,000,000 each occurrence
	$1,000,000 annual aggregate
Medical and Professional Liability	$3,000,000
Property Damage Liability	Replacement Cost
Equipment Breakdown	$100,000,000
Contingent Business Interruption	$100,000 each occurrence
Crime	$1,000,000
Gross Earnings/Extra Expense	$2,500,000 each occurrence
Uninsured/Underinsured Motorists	$250,000
Attorney Disciplinary Proceedings	$25,000 each occurrence
	$25,000 annual aggregate
Declaratory, Injunctive or Equitable Relief	$25,000 each occurrence
	$25,000 annual aggregate
Law Enforcement Canines	$75,000
Unmanned Aerial Vehicles	$8,828

The deductible on the above coverage for each occurrence is $2,500.

Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County participates in the workers' compensation program provided by the State of Ohio. For 2019, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program (Program), an insurance purchasing pool (see Note 20). The Program is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The participating counties continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating counties can either receive a premium refund or assessment. Employers will pay experience - or base rated premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down retroactively. In order to allocate the savings derived by formation of the Program, the Program's executive committee annually calculates the group-retrospective premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the retrospective premium us higher, an assessment will be charged to each participant.

Participation in the Program is limited to counties that can meet the Program's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Program. Each year, the County pays an enrollment fee to the Program to cover the costs of administering the Program.

The County may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Program prior to withdrawal.

The County pays all elected official bonds by state statute.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the Statement of Net Position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions/OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)
County Employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	State and Local	Law Enforcement
2019 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee *	10.0 %	**
2019 Actual Contribution Rates		
Employer:		
Pension ***	14.0 %	18.1 %
Post-employment Health Care Benefits ***	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

*** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2019, the County's contractually required contribution was $1,481,097 for the traditional plan, $33,792 for the combined plan, and $190 for the member-directed plan. Of these amounts, $154,422 is reported as an intergovernmental payable for the traditional plan, $3,492 for the combined plan, and $26 for the member-directed plan.

Plan Description - State Teachers Retirement System (STRS)

County licensed teachers and other faculty members participate in STRS, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2019 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2019, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was $21,048 for 2019. Of this amount, $458 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the net pension liability for STRS was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.0740490%	0.0564050%	0.00144003%	
Prior Measurement Date	0.0652600%	0.0409390%	0.00139863%	
Change in Proportionate Share	0.0087890%	0.0154660%	0.00004140%	
Proportionate Share of the:				
Net Pension Liability	$20,280,520	$0	$318,454	$20,598,974
Net Pension Asset	0	63,072	0	63,072
Pension Expense	$5,224,333	$14,429	$51,152	$5,289,914

2018 pension expense for the member-directed defined contribution plan was $190. The aggregate pension expense for all pension plans was $5,290,104 for 2019.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$936	$0	$2,593	$3,529
Change of assumptions	1,765,469	14,087	37,409	1,816,965
Net difference between projected and actual earnings on pension plan investments	2,752,634	13,587	0	2,766,221
Changes in proportion and differences between County contributions and proportionate share of contributions	1,316,062	0	12,080	1,328,142
County contributions subsequent to the measurement date	1,481,097	33,792	12,458	1,527,347
Total Deferred Outflows of Resources	$7,316,198	$61,466	$64,540	$7,442,204
Deferred Inflows of Resources				
Differences between expected and actual experience	$266,295	$25,760	$1,379	$293,434
Net difference between projected and actual earnings on pension plan investments	0	0	15,564	15,564
Changes in proportion and differences between County contributions and proportionate share of contributions	11,763	22,193	740	34,696
Total Deferred Inflows of Resources	$278,058	$47,953	$17,683	$343,694

$1,527,347 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
2020	$2,659,117	($734)	$22,652	$2,681,035
2021	1,362,385	(3,448)	7,513	1,366,450
2022	255,362	(3,162)	931	253,131
2023	1,280,179	1,093	3,303	1,284,575
2024	0	(4,493)	0	(4,493)
Thereafter	0	(9,535)	0	(9,535)
	$5,557,043	($20,279)	$34,399	$5,571,163

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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

The most recent experience study was completed for the five year period ended December 31, 2015.
The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses, and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate

For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan, and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$29,960,225	$20,280,520	$12,236,597
OPERS Combined Plan	(20,870)	(63,072)	(93,632)

Actuarial Assumptions - STRS
Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate
The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	$465,385	$318,454	$194,069

NOTE 12 - POST BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - Ohio Public Employees Retirement System (OPERS)
Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

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

The County's contractually required contribution was $54 for 2019. Of this amount, $7 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)
Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2019, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.07098200%	0.00144003%	
Prior Measurement Date	0.06197000%	0.00139863%	
Change in Proportionate Share	0.00901200%	0.00004140%	
Proportionate Share of the Net:			
OPEB Liability	$9,254,377	$0	$9,254,377
OPEB Asset	0	23,850	23,850
OPEB Expense	$1,371,274	($6,996)	$1,364,278

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$3,134	$2,162	$5,296
Changes of assumptions	298,372	501	298,873
Net difference between projected and actual earnings on OPEB plan investments	424,259	0	424,259
Changes in proportion and differences between County contributions and proportionate share of contributions	882,402	1,718	884,120
County contributions subsequent to the measurement date	54	0	54
Total Deferred Outflows of Resources	$1,608,221	$4,381	$1,612,602
Deferred Inflows of Resources			
Differences between expected and actual experience	$25,110	$1,213	$26,323
Changes of assumptions	0	26,149	26,149
Net difference between projected and actual earnings on OPEB plan investments	0	1,498	1,498
Total Deferred Inflows of Resources	$25,110	$28,860	$53,970

$54 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase to the net OPEB asset in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	STRS	Total
2020	$862,051	($5,387)	$856,664
2021	427,540	(5,387)	422,153
2022	79,738	(4,787)	74,951
2023	213,728	(4,576)	209,152
2024	0	(4,447)	(4,447)
Thereafter	0	105	105
	$1,583,057	($24,479)	$1,558,578

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.96 percent
Prior Measurement Date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current Measurement Date	3.71 percent
Prior Measurement Date	3.31 percent
Health Care Cost Trend Rate:	
Current Measurement Date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement Date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was be effective for the 2018 valuation.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate

A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the County’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
County's proportionate share of the net OPEB liability	$11,839,798	$9,254,377	$7,198,285

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$8,895,464	$9,254,377	$9,667,748

Actuarial Assumptions - STRS
Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 initial, 4 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	($20,352)	($23,850)	($26,792)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($27,045)	($23,850)	($19,937)

NOTE 13 - OTHER EMPLOYEE BENEFITS

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to five weeks of vacation per year, depending on length of service. Vacation accumulation is limited to three years of accrual. All accumulated, unused vacation time is paid to eligible employees upon termination of employment.

Employees earn sick leave at the rate of 1.25 days per month of service and unused sick leave may be accumulated without limit. Upon retirement or death, an employee can be paid twenty-five percent of accumulated, unused sick leave up to a maximum of 30 days.

NOTE 14 - CAPITAL LEASES-LESSEE DISCLOSURE

Copiers and road equipment acquired by lease have been capitalized in the government-wide statements in the amount of $282,568, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements as part of governmental and business-type activities. Each lease meets the criteria of a capital lease which is defined as transferring benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements.

These capitalized leased assets are reflected net of accumulated depreciation in the amount of $164,900 at December 31, 2019. There were principal payments towards these leases of $52,321 in governmental activities and $3,833 in business-type activities during 2019. These leases are being repaid by the General Fund, the Maintenance Special Revenue Fund, and the Care Center Enterprise Fund.

Future minimum lease payments for governmental activities are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$52,076	$1,412	$53,488

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during 2019 consist of the following:

	Outstanding 12/31//2018	Additions	Deletions	Outstanding 12/31//2019	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds:					
USDA Series 2017A - $9,000,000 - 2.375%	$9,000,000	$0	$142,706	$8,857,294	$146,096
USDA Series 2017B - $6,500,000 - 2.375%	6,500,000	0	103,066	6,396,934	105,514
USDA Series 2018 - $117,000 -3.875%	117,000	0	9,800	107,200	10,200
Total General Obligation Bonds	15,617,000	0	255,572	15,361,428	261,810
OPWC State Capital Improvement Loans from Direct Borrowings:					
$225,000 - 0% 2018	225,000	0	15,000	210,000	0
$133,475 - 0% 2019	0	133,475	0	133,475	0
Total OPWC Loans from Direct Borrowings	225,000	133,475	15,000	343,475	0
2019 E Squad Loan from Direct Placement - $351,933 - 4.058%	0	351,933	59,833	292,100	55,160
Capital Leases	104,397	0	52,321	52,076	52,076
Net Pension Liability:					
OPERS	8,292,802	8,540,028	0	16,832,830	0
STRS	307,527	10,927	0	318,454	0
Total Net Pension Liability	8,600,329	8,550,955	0	17,151,284	0
Net OPEB Liability:					
OPERS	5,450,881	2,230,252	0	7,681,133	0
STRS	0	0	0	0	0
Total Net OPEB Liability	5,450,881	2,230,252	0	7,681,133	0
Compensated Absences	596,952	301,714	278,760	619,906	260,798
Total Governmental Activities	30,594,559	11,568,329	661,486	41,501,402	629,844
Business-Type Activities					
General Obligation Bonds:					
2002 Care Center Improvement Term Bonds - 795,000 - 5.15%	140,000	0	35,000	105,000	35,000
Bond Discount	(3,427)	0	(884)	(2,543)	0
2009 County Care Center Serial Bonds - 710,000 - Variable Interest Rate	80,000	0	80,000	0	0
Bond Premium	43,417	0	3,947	39,470	0
2009 County Care Center Term Bonds - $1,040,000 - Variable Interest Rate	1,040,000	0	0	1,040,000	80,000
Total General Obligation Bonds	1,299,990	0	118,063	1,181,927	115,000
Capital Lease	3,833	0	3,833	0	0
Net Pension Liability - OPERS	1,945,227	1,502,463	0	3,447,690	0
Net OPEB Liability - OPERS	1,278,604	294,640	0	1,573,244	0
Compensated Absences	80,764	61,942	56,222	86,484	86,484
Total Business-Type Activities	4,608,418	1,859,045	178,118	6,289,345	201,484
Total Long-Term Obligations	$35,202,977	$13,427,374	$839,604	$47,790,747	$831,328

Governmental Activities

On August 28, 2017, the County issued $9,000,000 and $6,500,000 in United States Department of Agriculture (USDA) County Jail Facilities General Obligation Bonds. The proceeds of these bonds were used to construct and furnish a county jail facility, furnishing and equipping the same, landscaping and improving the site thereof, and to retire a bond anticipation note previously issued for the same. The bonds are backed by the full faith and credit of the County and are being retired from the Bond Retirement Debt Service Fund using General Fund transfers. The bonds were issued for a forty year period with final maturity in 2057. The bonds are subject to redemption, at the option of the County, in whole or in part in inverse order of maturity, at any time prior to stated maturity, at their par value plus accrued interest to the date fixed for redemption.

On December 18, 2018, the County issued $117,000 in United States Department of Agriculture (USDA) Engineer Equipment General Obligation Bonds. The proceeds of these bonds were used to purchase trucks with snow plows and related equipment. The bonds are backed by the full faith and credit of the County and are being retired from the Maintenance Special Revenue Fund. The bonds shall be callable for redemption at any time prior to maturity at the option of the County in such order of maturity as the County shall determine at par plus accrued interest to the date of redemption.

Principal and estimated interest requirements to maturity for the USDA bonds are as follows:

August 1,	Principal	Interest	Total
2020	$261,810	$366,442	$628,252
2021	268,185	360,071	628,256
2022	274,603	353,543	628,146
2023	281,466	346,858	628,324
2024	288,178	340,000	628,178
2025-2029	1,535,721	1,591,121	3,126,842
2030-2034	1,668,259	1,401,230	3,069,489
2035-2039	1,875,999	1,193,486	3,069,485
2040-2044	2,109,611	959,874	3,069,485
2045-2049	2,372,312	697,173	3,069,485
2050-2054	2,667,729	401,760	3,069,489
2055-2057	1,757,555	84,137	1,841,692
Total	$15,361,428	$8,095,695	$23,457,123

During 2018 and 2019, the County entered into contractual agreements for resurfacing, culvert replacement, and bridge construction loans from OPWC. Under the terms of these agreements, OPWC reimbursed, advanced, or directly paid the construction costs of the approved projects. OPWC capitalized administrative costs and construction interest and added them to the total amount of the final loans. During 2018 and 2019, the Issue II Capital Projects Fund received a total of $225,000 and $133,475 respectively of these interest free loans. These loans will be repaid from the Issue II Capital Projects Fund with transfers from the General Fund and Maintenance Special Revenue Fund.

The County's outstanding OPWC loans from direct borrowings in the amount of $343,475 related to governmental activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that each payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Principal requirements to maturity are as follows:

Year Ending December 31,	Principal
2021	$19,449
2022	19,449
2023	19,449
2024	19,449
2025	19,449
2026-2030	97,245
2031-2035	82,245
2036-2040	22,245
2041-2045	22,245
2046-2050	22,250
Total	$343,475

During 2019, the County issued a Fixed Rate Municipal Lease Loan for the purchase of two emergency vehicles. The direct placement loan is backed by the full faith and credit of the County and will be repaid by the E-Squad Levy Special Revenue Fund. In the event of a default such as failure to make the loan payment as it becomes due or observe any of the obligations or covenants contained in the loan agreement, the lender, at its option, may require the County to pay all current and remaining amounts due within the year the default occurred. The lender may also require the County to return all equipment acquired by the loan.

Principal and interest requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$55,160	$8,216	$63,376
2021	69,566	8,445	78,011
2022	72,483	5,528	78,011
2023	75,522	2,489	78,011
2024	19,369	134	19,503
Total	$292,100	$24,812	$316,912

Capital Lease

The County has entered into a capital lease for road equipment. This lease will be repaid through the Maintenance Special Revenue Fund.

Net Pension/OPEB Liability
There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General Fund and the Public Assistance, Maintenance, Developmental Disabilities, Emergency Management, Court Computer, DARE, Dog and Kennel, Child Support Enforcement Agency, Real Estate Assessment, Youth Services, Federal IV-E Reimbursement, Monroe County Public Transportation, Delinquent Real Estate Tax and Assessment Collection, Community Correction, Victims Advocate, and 911 Special Revenue Funds. For additional information related to the net pension/OPEB liability see Notes 11 and 12.

Compensated Absences
The County will pay compensated absences from the General Fund and the Public Assistance, Maintenance, Emergency Management, Developmental Disabilities, Real Estate Assessment, Dog and Kennel, Child Support Enforcement Agency, Monroe County Public Transportation, Youth Services, Federal IV-E, VWAP, and Community Corrections Special Revenue Funds.

Business-Type Activities

General Obligation Bonds
The 2002 Care Center Improvement General Obligation Bonds were issued to provide funding for various repairs and improvements to the Care Center. These bonds will be paid from revenues derived from the operation of the Care Center. The bonds were sold at a discount that will be amortized over the life of the bonds using the straight-line method. The amount amortized during 2019 was $884 leaving an unamortized balance at December 31, 2019 of $2,543.

On November 12, 2009, the County issued $1,750,000 in various interest rate general obligation bonds. The proceeds of these bonds were used to renovate the existing County Care Center. The bonds were sold at a premium of $78,947 that will be amortized over the life of the bonds using the straight-line method. The amount amortized for 2019 was $3,947 leaving an unamortized balance at December 31, 2019 of $39,470. These bonds are backed by the full faith and credit of the County and will be repaid from the Care Center Enterprise Fund revenues.

General Obligation Bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$115,000	$64,433	$179,433
2021	120,000	58,430	178,430
2022	125,000	52,165	177,165
2023	95,000	45,638	140,638
2024	100,000	40,650	140,650
2025-2029	590,000	110,100	700,100
Total	$1,145,000	$371,416	$1,516,416

The term bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2020	$80,000
2021	85,000
2022	90,000
2023	95,000
Total	$350,000

The remaining principal amount of such term bonds ($100,000) will be paid at maturity on December 1, 2024.

The term bonds maturing on December 1, 2029 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2025	$105,000
2026	110,000
2027	120,000
2028	125,000
Total	$460,000

The remaining principal amount of such term bonds ($130,000) will be paid at maturity on December 1, 2024.

Capital Lease
The County has entered into a capital lease for a copier. This lease was fully repaid during 2019 through the Care Center Enterprise Fund.

Net Pension/OPEB Liability
There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from Care Center Enterprise Fund. See Notes 11 and 12 for additional information relating to the net pension/OPEB liability.

Compensated Absences
The County will pay compensated absences from the Care Center Enterprise Fund.

The County's overall legal debt margin at December 31, 2019 was $21,374,735.

NOTE 16 - INTERNAL BALANCES

Interfund balances at December 31, 2019 consist of the following individual fund receivables and payables:

	Interfund Receivable			
	Major Funds			
Interfund Payable	General	Maintenance	Other Nonmajor Governmental	Total
Major Funds				
General Fund	$0	$0	$1,086	$1,086
Maintenance	35,930	0	0	35,930
FEMA	0	452,182	0	452,182
Care Center	7,616,471	0	0	7,616,471
Other Nonmajor Governmental	142,927	3,687	47,156	193,770
Total All Funds	$7,795,328	$455,869	$48,242	$8,299,439

The above interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. In addition, a portion of the interfund balances are the result of short-term loans. All amounts, with the exception of balances owed by the Care Center Enterprise Fund are expected to be repaid within one year.

Interfund transfers during 2019 consisted of the following:

	Transfer To				
	Major Funds				
Transfer from	General Fund	Maintenance	Developmental Disabilities	Other Nonmajor Governmental	Totals
Major Funds:					
General Fund	$0	$190,066	$1,313	$1,289,824	$1,481,203
Other Nonmajor Governmental	2,239	0	0	112,400	114,639
Totals	$2,239	$190,066	$1,313	$1,402,224	$1,595,842

Transfers were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 17 - SIGNIFICANT COMMITMENTS

Encumbrances are commitments to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds	
General Fund	$215,330
Maintenance	73,786
Developmental Disabilities	35,964
Other Governmental Funds	850
Total Governmental Funds	$325,930

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

***Buckeye Hills Regional Council (Council)* -** The Council serves as the Area Agency on Aging for Monroe, Athens, Hocking, Meigs, Morgan, Noble, Perry, and Washington Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen-member Board of Directors. The Board is comprised of one County Commissioner from each county, one member from the City of Athens Council, one member from the City of Marietta Council, four at-large members appointed from the ten government members, and one member from the minority sector. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant’s degree of control is limited to its representation on the Board.

The Council administers County Community Development Block Grant and Transportation Improvement Program. During 2019, the County contributed $1,757 to the Council. The Council has no outstanding debt.

***Southeastern Ohio Joint Solid Waste District (District)* -** The County is a member of the District, which is a jointly governed organization involving Noble, Guernsey, Monroe, Morgan, Muskingum, Noble, and Washington counties. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capacity for the District. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant’s degree of control is limited to its representation on the Board. A forty-three member policy committee, comprised of seven 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. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. No contributions were received from the County during 2019.

***Guernsey-Monroe-Noble Community Action Corporation (GMN)* -** The GMN is a non-profit organization formed to plan, conduct, and coordinate programs designed to combat social and economic problems to help eliminate conditions of poverty within Guernsey, Monroe, and Noble counties. The GMN is governed by a fifteen-member Board of Directors 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 Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. GMN received federal and state funding which is applied for and received by, and in the name of, the Board of Directors. During 2019, the County contracted with GMN to provide senior citizens services. Through this contract, the County is acting as fiscal agent for the collection and settlement of the senior citizens levy.

***Belmont, Harrison, and Monroe Counties Cluster (Cluster)* -** Belmont, Harrison, and Monroe Counties Cluster provide services to multi-need youth in Belmont, Harrison, and Monroe Counties. Members of the Cluster include the Belmont, Harrison, and Monroe Counties Alcohol, Drug Addiction, and Mental Health Services Board, the Children Services Board, the Belmont, Harrison, Monroe Drug and Alcohol Councils, student services, Belmont-Harrison Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and developmental disabilities. The Cluster is controlled by an advisory committee which consists of a representative from each agency. The advisory committee exercise total control of the operation of the Cluster including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Advisory Committee. In 2019, the County contributed no money to the Cluster.

***Mental Health Recovery Board (Board)* -** The Board is responsible for delivery of comprehensive mental health and substance abuse services in Belmont, Harrison, and Monroe 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. The Board is managed by eighteen members, six appointed by Commissioners of Belmont County, two each by Commissioners of Harrison and Monroe Counties and are proportionate to population, four by Ohio Department of Drug and Alcohol, and four by the State Department of Mental Health. The Board exercises total control of the budgeting, appropriation, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The County's 2019 contribution to the Board was $6,000.

***Monroe County Family and Children First Council* -** The Monroe County Family and Children First Council is a jointly governed organization created under the Ohio Revised Code Section 121.37. The Council is comprised of the following members: Superintendent of Monroe Board of Developmental Disabilities, a designee from the Monroe County Health Department, Director of Monroe County Department of Job and Family Services, Superintendent of Switzerland of Ohio Local School District, Monroe County Commissioner, Mayor of the Village of Woodsfield, a representative from Ohio Department of Youth Services, a designee from the Mental Health and Recovery Board, Executive Director of GMN Tri-County CAC, a representative from GMN Tri-County CAC, and three parent representatives. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. In 2019, the County made no contributions to the Council.

***Buckeye Hills Resource Conservation and Development Council (RC&D)* -** RC&D is a 501 (c) (3) non-profit entity, serving a nine county region in southeastern Ohio including Monroe, Athens, Belmont, Hocking, Meigs, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water

Conservation Districts in the nine counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 29 members that include three representatives from each county and one representative from each conservancy district. The Executive Council exercises total control over the operations of RC&D including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Executive Council. The County contributed $500 in membership dues to the RC&D in 2019.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is governed by a Council made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. The Board exercises total control over the operations of the MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board. The County did not contribute financially to MEORC during 2019.

Ohio Valley Employment Resource - The Ohio Valley Employment Resource is a jointly governed organization whereby the three county commissioners from Monroe, Noble, Morgan, and Washington Counties serve on the governing board. The Ohio Valley Employment Resource was formed for the purpose of creating and providing employment and training programs in response to local need, a part of which is implementation of the Workforce Investment Act, P.L. 105-220. The continued existence of the Ohio Valley Employment is not dependent on the County's continued participation and no equity interest exists. The Ohio Valley Employment Resource has no outstanding debt.

Oakview Juvenile Residential Center - The Oakview Juvenile Residential Center is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble Counties. The Center was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by Oakview Juvenile Residential Center. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county. The Board exercises total control of the budgeting, appropriating, contracting, and designating management. Each County's degree of control is limited to its representation on the Board.

NOTE 19 - RELATED ORGANIZATIONS

Monroe County District Public Library (Library) - The Library is statutorily created as a distinct political subdivision of the State of Ohio governed by a Board of Trustees consisting of seven members. The Monroe County Commissioners appoint four members, and the judges of the Monroe County Court of Common Pleas appoint three members. The County made no contributions to the Library during the year. The Board of Trustees possesses its own contracting and budgeting authority, hires personnel, and does not depend on the County for operational subsidies. Although the County does serve as taxing authority of the Library, this is strictly a ministerial function. The County cannot influence the Library's operation nor does the Library represent a potential financial benefit for, or a burden on, the County.

Once the Board of Trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree. The Library currently has no outstanding debt.

Monroe County Community Improvement Corporation (CIC) **-** The CIC is a non-profit organization that was created under Ohio Revised Code Section 1724.04. Two-fifths of the governing board shall be mayors, county commissioners, or appointed or elected public officials. The remaining three-fifths of the sixteen member Board of Directors is comprised of volunteers. The CIC administers the County's Revolving Loan Fund (RLF), established with Community Development Block Grant Funds. The RLF is used to make loans to small businesses for the purchase of buildings, machinery, and equipment as well as working capital. The County cannot influence the CIC's operation nor does the CIC represent a potential financial benefit for, or burden on, the County.

Monroe County Emergency Medical Service (EMS) **-** The EMS is a non-profit organization created under Ohio Revised Code Section 1702. The governing officers consist of a president, vice-president, secretary, and twelve trustees – two from each squad. The EMS furnishes emergency services to Monroe County and to such other political subdivisions that sign and have contracts with the Monroe County Commissioners. The EMS is to conduct an educational course or courses in emergency victim care and rescue to all members and coordinates with existing organizations for planning further education between various emergency rescue services. The County cannot influence the EMS's operation nor does the EMS represent a potential financial benefit for, or burden on, the County.

NOTE 20 - PUBLIC ENTITY POOLS

County Risk Sharing Authority, Inc. (CORSA) **-** The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among sixty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. The County's payment for insurance to CORSA in 2019 was $121,092.

County Commissioners Association of Ohio (CCAO) Workers' Compensation Group Retrospective Rating Program **-** The County Commissioners Association of Ohio (CCAO) Workers Compensation Group Retrospective Rating Program (Program) is a shared risk pool among thirty counties in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the CCAO Group Executive Committee that consists of eleven members as follows: the president and the secretary/treasurer of the CCAO and nine representatives elected from the participating counties.

CCAO, a Bureau of Workers' Compensation (BWC)-certified sponsor, established the Program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). CCAO created a group of counties that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating counties continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating counties can receive either a premium refund or assessment. CCAO, with approval of the Group Executive Committee, retains the services of a third party administrator (TPA) that will assist CCAO staff in the day-to-day management of the plan, prepare and file necessary reports with the Ohio Bureau of Workers' Compensation and member counties, assist with loss control programs, and other duties, (excluding claims related matters, which will be the responsibility of each individual participating county). The cost of the TPA will be paid by each participating county to CCAO in proportion to its payroll to the total payroll of the group. The County's premium payments to BWC were $231,264 and the payment to CCAO for administrative and membership fees was $6,837.

NOTE 21 - RELATED PARTY TRANSACTIONS

Monroe Adult Crafts Organization (MACO), an immaterial component unit of Monroe County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as in-kind contributions and expenses at cost or fair market value, as applicable, in MACO's basic financial statements.

NOTE 22 - FOOD ASSISTANCE

The County's Department of Job and Family Services (Welfare) distributes, through contracting issuance centers, federal food assistance to entitled recipients within Monroe County. The receipt and issuance of the assistance have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of this assistance is not reflected in the accompanying financial statements, as the only economic interest related to this assistance rests with the ultimate recipient.

NOTE 23 - CONTINGENT LIABILITIES

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

Claims and lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability and effect on the financial statements, if any, is not determinable at this time.

NOTE 24 - SUBSEQUENT EVENTS

A. The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The County's investment portfolio and the investments of the pension and other employee benefit plans in which the County participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

B. On February 5, 2020, the Board of Commissioners approved the purchase and sale agreement, operations transfer agreement and the related transaction regarding sale of the Monroe County Care Center. The Monroe County Care Center was purchased by Alternative Living Solutions for $500,000.

C. On March 16, 2020, the Board of Commissioners passed a resolution to establish a Transportation Improvement District (TID) in accordance with Ohio Rev. Code § 5540.02.

NOTE 25 - CHANGE IN ACCOUNTING PRINCIPLES

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The County evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements;* and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities.* GASB Statement 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the County's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

For 2019, the County also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1.* These changes were incorporated in the County's 2019 financial statements; however, there was no effect on beginning fund balances/net position.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Six Years (1)

	2019	2018	2017	2016	2015	2014
County's Proportion of the Net Pension Liability	0.0740490%	0.0652600%	0.0591810%	0.0625550%	0.0596930%	0.0596930%
County's Proportionate Share of the Net Pension Liability	$20,280,520	$10,238,029	$13,438,998	$10,835,314	$7,199,643	$7,037,027
County's Covered Payroll	$9,588,914	$8,279,855	$7,345,880	$7,504,856	$7,081,122	$6,848,129
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	211.50%	123.65%	182.95%	144.38%	101.67%	102.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.
An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
Last Two Years (1)

	2019	2018
County's Proportion of the Net Pension Asset	0.0564050%	0.0409390%
County's Proportionate Share of the Net Pension Asset	$63,072	$55,730
County's Covered Payroll	$241,243	$167,662
County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-26.14%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Three Years (1)

	2019	2018	2017
County's Proportion of the Net OPEB Liability	0.0709820%	0.0619700%	0.0556300%
County's Proportionate Share of the Net OPEB Liability	$9,254,377	$6,729,485	$5,618,819
County's Covered Payroll	$9,887,382	$8,451,592	$7,410,880
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	93.60%	79.62%	75.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

	2019	2018	2017	2016	2015	2014	2013
County's Proportion of the Net Pension Liability	0.00144003%	0.00139863%	0.00134880%	0.00133795%	0.00134968%	0.00130236%	0.00130236%
County's Proportionate Share of the Net Pension Liability	$318,454	$307,527	$320,411	$447,852	$373,012	$316,779	$377,344
County's Covered Payroll	$169,279	$159,000	$148,286	$140,779	$140,814	$143,300	$131,238
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.12%	193.41%	216.08%	318.12%	264.90%	221.06%	287.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available.
An additional column will be added each year.

Amounts presented for each fiscal year were determined as of June 30th

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability/Asset
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	2019	2018	2017
County's Proportion of the Net OPEB Liability/Asset	0.00144003%	0.00139863%	0.00134880%
County's Proportionate Share of the Net OPEB Liability (Asset)	($23,850)	($22,475)	$52,626
County's Covered Payroll	$169,279	$159,000	$148,286
County's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.09%	-14.14%	35.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	176.00%	47.11%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each fiscal year were determined as of June 30th

Monroe County, Ohio
Required Supplementary Information
Schedule of County Contributions
Ohio Public Employees Retirement System
Last Seven Years

	2019	2018	2017	2016	2015	2014	2013
Net Pension Liability - Traditional Plan (1)							
Contractually Required Contribution	$1,481,097	$1,399,644	$1,122,107	$920,309	$936,246	$879,889	$916,299
Contributions in Relation to the Contractually Required Contribution	(1,481,097)	(1,399,644)	(1,122,107)	(920,309)	(936,246)	(879,889)	(916,299)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0
County Covered Payroll	$10,136,927	$9,588,914	$8,279,855	$7,345,880	$7,504,856	$7,081,122	$6,848,129
Pension Contributions as a Percentage of Covered Payroll	14.61%	14.60%	13.55%	12.53%	12.48%	12.43%	13.38%
Net Pension Liability/Asset - Combined Plan (1)							
Contractually Required Contribution	$33,792	$33,774	$21,796	$7,800	$4,166	$4,333	$3,421
Contributions in Relation to the Contractually Required Contribution	(33,792)	(33,774)	(21,796)	(7,800)	(4,166)	(4,333)	(3,421)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0
County Covered Payroll	$241,371	$241,243	$167,662	$65,000	$34,717	$36,108	$26,315
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Net OPEB Liability - OPEB Plan (2)							
Contractually Required Contribution	$54	$2,289	$84,639	$148,217			
Contributions in Relation to the Contractually Required Contribution	(54)	(2,289)	(84,639)	(148,217)			
Contribution Deficiency (Excess)	$0	$0	$0	$0			
County Covered Payroll (3)	$10,138,277	$9,887,382	$8,451,592	$7,410,880			
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.02%	1.00%	2.00%			

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans, therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes members from the Traditional Plan, the Combined Plan, and the Member Directed Plan. The Member Directed Pension Plan is a defined contribution pension plan; therefore, the pension side is not included above.

Monroe County, Ohio
Required Supplementary Information
Schedule of County Contributions
State Teachers Retirement System of Ohio
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Pension Liability										
Contractually Required Contribution	$21,048	$26,293	$20,871	$20,790	$20,026	$18,629	$77,860	$67,745	$63,514	$60,535
Contributions in Relation to the Contractually Required Contribution	(21,048)	(26,293)	(20,871)	(20,790)	(20,026)	(18,629)	(77,860)	(67,745)	(63,514)	(60,535)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County Covered Payroll	$150,343	$187,807	$149,079	$148,500	$143,043	$137,888	$598,923	$521,115	$488,569	$465,654
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.51%	13.00%	13.00%	13.00%	13.00%
Net OPEB Liability/Asset										
Contractually Required Contribution	$0	$0	$0	$0	$0	$586	$5,989	$5,211	$4,886	$4,657
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	(586)	(5,989)	(5,211)	(4,886)	(4,657)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County Covered Payroll	$150,343	$187,807	$149,079	$148,500	$143,043	$137,888	$598,923	$521,115	$488,569	$465,654
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	1.00%	1.00%	1.00%	1.00%

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Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented below:

	2019	2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions - OPERS Pension - Combined Plan

For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions - STRS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and Prior
Inflation	2.50 percent	2.75 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Beginning in 2017, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant mortality table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled mortality table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee mortality table, projected forward generationally using mortality improvement scale MP-2016.

For 2016 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined mortality table (Projection 2022-Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Assumptions - OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost tend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions - STRS OPEB

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Changes in Benefit Terms - STRS OPEB

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR *Pass Through Grantor* Program/Cluster Title	Federal CFDA Number	Pass-Through Entity Indentifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Ohio Department of Jobs and Family Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5968	$0	$132,760
Total SNAP Cluster			0	132,760
Passed Through Ohio Department of Natural Resources				
Forest Service Schools and Road Cluster:				
Schools and Roads - Grants to States	10.665	N/A	18,803	37,606
Total Forest Service Schools and Road Cluster			18,803	37,606
Direct from U.S. Department of Agriculture				
Community Facilities Loans and Grants Cluster:				
Community Facilities Loans and Grants	10.766	N/A	0	118,164
Total Community Facilities Loans and Grants Cluster				118,164
Total U.S. Department of Agriculture			18,803	288,530
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Ohio Development Services Agency/ Office of Community Development				
Community Development Block Grant/State's Program:	14.228			
Community Development Program		B-F-18-1BZ-1	0	522,272
Community Development Program		B-X-17-1BZ-1	0	255,750
Community Housing Improvement Program		B-C-17-1BZ-1	0	62,272
Revolving Loan Fund		N/A	0	1,840
Total Community Development Block Grant/State's Program			0	842,134
Home Investment Partnerships Program:				
Community Housing Impact and Preservation Program	14.239	B-C-17-1BZ-2	0	116,955
Total U.S. Department of Housing and Urban Development			0	959,089
U.S. DEPARTMENT OF THE INTERIOR				
Passed through Ohio Department of Natural Resources				
Payment in Lieu of Taxes	15.226	N/A	0	9,653
National Forest Acquired Lands	15.438	N/A	7,617	15,234
Total U.S. Department of the Interior			7,617	24,887
U.S. DEPARTMENT OF LABOR				
Passed Through Ohio Valley Employment Resource (Workforce Investment Act Area 15)				
Workforce Innovation and Opportunity (WIOA) Cluster:				
WIOA Adult Program	17.258	N/A	0	60,757
WIOA Youth Activities	17.259	N/A	0	122,030
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	77,944
Total WIOA Cluster			0	260,731
Total U.S. Department of Labor			0	260,731
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Ohio Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PID-109175	0	7,632
		PID-109126	0	2,640
		PID-108474	0	35,890
Total Highway Planning and Construction Cluster			0	46,162
Formula Grants for Rural Areas	20.509	112-RPTF-19-0100	0	189,250
		112-BABF-19-0200	0	29,343
Total Formula Grants for Rural Areas			0	218,593
National Infrastructure Investments	20.933	0112-TRRG-160100	0	19,932
Total U.S. Department of Transportation			0	284,687

MONROE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

FEDERAL GRANTOR *Pass Through Grantor* Program/Cluster Title	Federal CFDA Number	Pass-Through Entity Indentifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027	066142-6BSF-2019	$0	$6,415
Total Special Education Cluster (IDEA)			0	6,415
Total U.S. Department of Education			0	6,415
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State				
Help America Vote Act - Election Security Grant	90.404	N/A	0	23,843
Total U.S. Election Assistance Commission			0	23,843
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Mental Health and Addiction Services				
Promoting Safe and Stable Families	93.556	5AU-19-C0056	0	14,501
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5AU-19-C0056	0	1,792
Passed Through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	FY19TXXC056	0	13,550
Passed through Ohio Department of Jobs and Family Services				
Promoting Safe and Stable Families	93.556	G-1819-11-5781/G-2021-11-5968	0	6,677
TANF Cluster				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-1819-11-5781/G-2021-11-5968	255,685	841,249
Total TANF Cluster			255,685	841,249
Child Support Enforcement	93.563	G-1819-11-5781/G-2021-11-5968	0	145,174
CCDF Cluster				
Child Care and Development Block Grant	93.575	G-2021-11-5968	0	13,374
Total CCDF Cluster			0	13,374
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5968	0	4,854
Foster Care-Title IV-E:				
Foster Care Title IV-E Administration	93.658	G-2021-11-5968	0	15,857
Foster Care Title IV-E		G-2021-11-5968	0	121,998
Foster Care Title IV-E		G-1819-06-0134	0	110,274
Foster Care Title IV-E		G-1819-06-0134	0	16,999
Total Foster Care Title IV-E			0	265,128
Adoption Assistance Administration	93.659	G-2021-11-5968	0	28,221
Social Services Block Grant	93.667	G-2021-11-5968	21,145	157,355
Chafee Foster Care Indpendence Program	93.674	G-2021-11-5968	0	3,337
Medicaid Cluster				
Medical Assistance Program	93.778	G-2021-11-5968	98,170	307,268
Total Medicaid Cluster			98,170	307,268
Total U.S. Department of Health and Human Services			375,000	1,802,480
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA-DR-4360-OH	0	3,672,892
Disaster Grants - Public Assistance		FEMA-DR-4424-OH	0	132,390
Total Disaster Grants - Public Assistance			0	3,805,282
Emergency Management Performance Grants:				
FY17 Emergency Management Performance Grants	97.042	EMC-2018-EP-00008-S01	0	25,454
FY18 Emergency Management Performance Grants		EMC-2019-EP-00005	0	9,079
Total Emergency Management Performance Grants			0	34,533
Total U.S. Department of Homeland Secutiry			0	3,839,815
Total Expenditures of Federal Awards			**$401,420**	**$7,490,477**

The accompanying notes are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Monroe County's (the County) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The County passes certain federal awards received from the U.S Department of Agriculture, U.S. Department of the Interior, and the U.S. Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2019 is $80,258.

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE
KEITH FABER

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

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 7, 2020, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2019-003 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2019-001 and 2019-002.

County's Responses to Findings

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

December 7, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Monroe County, Ohio's (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Monroe County's major federal programs for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal programs.

Management's Responsibility

The County's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on each Major Federal Program

In our opinion, Monroe County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying Schedule of Findings as item 2019-004. Our opinion on *each* major federal program is not modified with respect to these matters.

The County's responses to our noncompliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the County's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying Schedule of Findings as item 2019-004.

The County's response to our internal control over compliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the County's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

December 7, 2020

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SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • CFDA #93.658 – Foster Care (Title IV-E) • CFDA #97.036 – Disaster Grants-Public Assistance	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2019-001

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

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

FINDING NUMBER 2019-001
(Continued)

Noncompliance – Ohio Rev. Code § 5705.39 (Continued)

At December 31, 2019 the County's appropriations exceeded the amount certified as available by the budget commission in the Care Center Fund by $283,999.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the County's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The County should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the County should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Commissioners to reduce the appropriations.

Officials' Response: See Corrective Action Plan on page 114.

FINDING NUMBER 2019-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the following funds/function/object had expenditures plus encumbrances in excess of appropriations at December 31, 2019:

Fund /Function/Object	Appropriations	Expenditures	Variance
General Fund/Legislative & Executive/ Treasurer-Other	$1,000	$1,587	($587)
E-Squad Levy Special Revenue Fund/ Health/ Capital Outlay	0	350	(350)
E-Squad Levy Special Revenue Fund/ Capital Outlay/ Capital Outlay	0	351,583	(351,583)
Issue II Capital Projects Fund/ Public Works/ Capital Outlay	0	533,475	(533,475)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

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

FINDING NUMBER 2019-002 (Continued)

Noncompliance – Ohio Rev. Code § 5705.41(B) (Continued)

The Board of Commissioners should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the County Auditor should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: See Corrective Action Plan on page 114.

FINDING NUMBER 2019-003

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the County and the appropriation ledger provides the process by which the County controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the County and the receipts ledger provides the process by which the County controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The County did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board were not properly posted to the accounting system for the General Fund. The County posted $52,808 more to appropriations for the General Fund than what was approved.

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

FINDING NUMBER 2019-003
(Continued)

Material Weakness (Continued)

Additionally, approved appropriations and estimated resources presented on the Budgetary Statements did not agree to those approved by the Board and County Budget Commission. The original appropriations approved by the Board did not agree to those presented on the Budgetary Statements for the Maintenance Fund. The Budgetary Statement presented original appropriations as $4,471,317 and the approved original appropriations were $3,724,863, resulting in a variance of $746,454. The final appropriations approved by the Board did not agree to those presented on the Budgetary Statements for the General and Developmental Disabilities Fund. The Budgetary Statement for the General Fund presented final appropriations as $15,320,256 and the approved final appropriations were $14,875,387, resulting in a variance of $444,869. The Budgetary Statement for the Developmental Disabilities Fund presented final appropriations as $3,619,653 and the approved final appropriations were $3,592,263, resulting in a variance of $27,390. The original estimated receipts per the Certificate of Estimated Resources did not agree to those presented on the Budgetary Statement for the General Fund. The Budgetary Statement presented original estimated receipts as $12,308,959 and the approved original estimated receipts were $11,080,159, resulting in a variance of $1,228,800. All of the above-mentioned adjustments, with which management agreed, were made to the Budgetary Statements due to materiality except for the Developmental Disabilities Fund.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the County should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The County should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: See Corrective Action Plan on page 114.

3. FINDING FOR FEDERAL AWARDS

Schedule of Expenditures of Federal Awards

Finding Number:	**2019-004**
CFDA Number and Title:	**All Federal Programs**
Federal Award Identification Number / Year:	**2019**
Federal Agency:	**U.S. Department of Agriculture** **U.S. Department of Housing and Urban Development** **U.S. Department of the Interior** **U.S. Department of Transportation** **U.S. Election Assistance Commission** **U.S. Department of Health and Human Services** **U.S. Department of Homeland Security**
Compliance Requirement:	**Reporting**
Pass-Through Entity:	**Ohio Department of Natural Resources** **Ohio Department of Transportation** **Ohio Department of Mental Health and Addiction Services** **Ohio Department of Jobs and Family Services** **Ohio Development Services Agency** **Ohio Emergency Management Agency** **Ohio Secretary of State**
Repeat Finding from Prior Audit?	**No**

Noncompliance and Material Weakness

2 CFR Subpart F § 200.510(b) requires the auditee prepare a Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the County's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency.
(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
(4) Include the total amount provided to subrecipients from each Federal program.
(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
(6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

3. FINDING FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2019-004
(Continued)

Noncompliance and Material Weakness (Continued)

The lack of effective controls over this compliance requirement resulted in the Schedule being misstated. The Schedule prepared by the County had the following errors:

- CFDA #10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, expenditures were understated in the amount of $1,642;
- CFDA #10.665 Schools and Roads - Grants to States, the amount passed through to subrecipients was understated by $500;
- CFDA #10.766 Community Facilities Loans and Grants, expenditures were understated in the amount of $4,607;
- CFDA #14.228 Community Development Block Grant, expenditures were understated by $36,533;
- CFDA #14.239 Community Housing Impact and Preservation Program, expenditures were understated by $10,285;
- CFDA #15.226 Payment in Lieu of Taxes, expenditures were understated by $9,653;
- CFDA #20.205 Highway Planning and Construction, expenditures were overstated by $89,096;
- CFDA #20.509 Formula Grants for Rural Areas, expenditures were understated by $21,104;
- CFDA #20.933 National Infrastructure Investments, expenditures were understated by $19,932;
- CFDA # 90.404 Help America Vote Act - Election Security Grant, expenditures were understated by $23,843;
- CFDA #93.558 Temporary Assistance for Needy Families, the amount passed through to subrecipients was understated by $107,141 and expenditures were understated by $100;
- CFDA #93.658 Foster Care Title IV-E, expenditures were understated by $54,023;
- CFDA #93.659 Adoption Assistance Administration, expenditures were understated by $28,221;
- CFDA #93.667 Social Services Block Grant (passed through the Ohio Department of Job and Family Services), the amount passed through to subrecipients was understated by $21,145 and expenditures were understated by $157,355;
- CFDA #93.674 Chafee Foster Care Independence Program, expenditures were understated by $3,337;
- CFDA #93.778 Medical Assistance Program, the amount passed through to subrecipients was understated by $98,170 and expenditures were understated by $307,268;
- CFDA #97.036 Disaster Grants-Public Assistance, expenditures were understated by $184,673; and
- CFDA #97.042 Emergency Management Performance Grant, expenditures were understated by $27,246.

Adjustments, to which management have agreed, are reflected in the accompanying Schedule.

Noncompliance with grant requirements as well as errors and omissions on the Schedule of Expenditures of Federal Awards could have an adverse effect on future grant awards by the awarding agencies in addition to an inaccurate assessment of major federal programs that would be subjected to audit.

3. FINDING FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2019-004
(Continued)

Noncompliance and Material Weakness (Continued)

County management should review all grant and loan award documents in order to execute policies and procedures which help ensure compliance with grant and loan requirements, including Schedule reporting requirements. The County should implement a system to track all federal expenditures and related information separately from other expenditures and report federal expenditures with proper support including, but not limited to, grant agreements, calculation of the expenditures, and any federal reporting requirements. This will help ensure the County complies with grant and loan requirements, the Schedule is complete and accurate, and major federal programs are accurately identified for audit.

Officials' Response: See Corrective Action Plan on page 114.

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MONROE COUNTY COMMISSIONERS
101 N. Main Street - Room 34 Woodsfield, OH 43793 Telephone: (740) 472-1341 Fax: (740) 472-5156

Carl M. Davis, President
Tim R. Price, Vice President
Mick Schumacher

Sheila Turner, Clerk
Audrey Lydick, Deputy Clerk

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Ohio Rev. Code § 5705.39 – The County had appropriations exceeding estimated resources	Not corrected	Greater monitoring of appropriations and estimated resources. Use available report to correct this problem.
2018-002	Ohio Rev. Code § 5705.41(B) – The County had expenditures exceeding appropriations.	Not corrected	The spreadsheet currently maintained by the Auditor to track appropriations approved by the Commissioners will be checked more frequently to correct this problem.
2018-003	Material Weakness regarding posting errors	Partially Corrected	Less talking and more concentration will help improve this area.
2018-004	2 CFR § 200.305(b)(3) – Cash management issues for FEMA grant	Corrected	

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2019

Finding Number: 2019-001
Planned Corrective Action: Greater monitoring of both estimated revenue and appropriations will be implemented ASAP.
Anticipated Completion Date: December 31, 2020
Responsible Contact Person: Denise Stoneking, Chief Deputy/ Real Estate Supervisor

Finding Number: 2019-002
Planned Corrective Action: Greater Auditor oversight of budgets and appropriations will be necessary to make sure that expenditures are not being made without appropriations in place.
Anticipated Completion Date: December 31, 2020
Responsible Contact Person: Denise Stoneking, Chief Deputy/ Real Estate Supervisor

Finding Number: 2019-003
Planned Corrective Action: The spreadsheet currently maintained by the Auditor to track appropriations approved by the Commissioners will be more frequently matched to both the appropriation forms and the system posting to avoid omissions or errors. The Auditor’s office will establish a policy to determine how often as by what manner this will be done.
Anticipated Completion Date: December 31, 2020
Responsible Contact Person: Denise Stoneking, Chief Deputy/ Real Estate Supervisor

Finding Number: 2019-004
Planned Corrective Action: Errors will likely be solved by changing who is responsible for preparing the federal schedule.
Anticipated Completion Date: December 31, 2020
Responsible Contact Person: Denise Stoneking, Chief Deputy/ Real Estate Supervisor

OHIO AUDITOR OF STATE
KEITH FABER

MONROE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/22/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370