



OHIO AUDITOR OF STATE
KEITH FABER



**MEIGS COUNTY
DECEMBER 31, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Meigs County
100 East 2nd Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business Type Activities	Qualified
General Fund	Unmodified
Board of Developmental Disabilities Fund	Unmodified
Job and Family Services Fund	Unmodified
Auto License and Gasoline Fund	Qualified
Emergency Medical Services Fund (EMS)	Unmodified
American Recovery Plan Fund	Unmodified
Rutland Sewer Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on Business Type Activities, Rutland Sewer Fund, and Auto License and Gasoline Fund

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Business Type Activities, Auto License and Gasoline Fund, and Rutland Sewer Fund of Meigs County, as of December 31, 2021, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, General Fund, Board of Developmental Disabilities Fund, Job and Family Services Fund, Emergency Medical Services (EMS) Fund, American Recovery Plan Fund, and the aggregate remaining fund information of Meigs County, Ohio

as of December 31, 2021, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund, Board of Developmental Disabilities Fund, Job and Family Services Fund, Auto License and Gas Fund, EMS Fund, and American Recovery Plan Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Meigs County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters Giving Rise to Qualified Opinions on Business Type Activities, Rutland Sewer Fund, and Auto License and Gasoline Fund

Management has not adopted the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The amount by which this departure would affect the Deferred Outflows of Resources, Liabilities, and fund balances in the Business Type Activities and Rutland Sewer Fund cannot reasonably be determined. In addition, management did not obtain a service organization controls report over the third-party administrator of its self-insurance program. The amount by which this would affect the Liabilities, and fund balances in the Auto License and Gasoline Fund cannot reasonably be determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and Schedules of Net Pension (Asset) and Other Post-Employment Benefit Liabilities (Assets) and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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

March 7, 2023

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis of Meigs County's financial performance provides an overall view of the County's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review notes to the basic financial statements, and the financial statements themselves, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The County's net position increased \$7,524,218 as a result of this year's operations. Net position of our business-type activities increased \$362,131, and net position of our governmental activities increased \$7,162,087.
- General revenues for governmental activities accounted for \$10,025,394 in revenue or 37.75 percent of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants and contributions accounted for \$16,532,924 or 62.25 percent of total revenues of \$26,558,318.
- The County had \$19,396,231 in expenses related to governmental activities; \$16,532,924 of these expenses were offset by program specific charges for services and sales, grants and contributions.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Meigs County as a financial whole or as an entire operating entity. The statements then proceed to provide a detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it informs the reader whether, for the County as a whole, the financial position of the County is as strong as it once was. This is the result of many factors, some the County can control and some of which it cannot. Non-controllable financial factors include rising insurance costs, workers compensation costs, declining consumption based tax revenues due to the state and federal economic downturn, low rates of return on investments, revenue cuts and the restriction of revenue growth due to the political culture at the state and national levels. In addition, unfunded mandated programs are still problematic in all counties as are many other specific causative factors in which local government has little control over.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

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

- **Governmental Activities** - Most of the County's programs and services are reported here including public safety, public works, health, human services, community and economic development, legislative and executive, and judicial. 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 of the expenses of the goods or services provided. The Rutland Sewer Fund and Rutland Water Fund are reported as business-type activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, Board of Developmental Disabilities Fund, Job and Family Services Fund, Auto License and Gas Fund, American Recovery Plan Fund, and EMS Fund.

Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County operations.

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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County'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.

Proprietary Funds The County maintains one type of proprietary fund; enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer and water operations.

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

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

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The County as a Whole

Recall that the Statement of Net Position provides the perspective of the County as a whole.

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2021 compared to 2020:

Table 1
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current and Other Assets	\$32,241,437	\$27,062,598	\$662,961	(\$232,855)	\$32,904,398	\$26,829,743
Capital Assets, Net	27,286,277	27,738,264	334,601	352,629	27,620,878	28,090,893
<i>Total Assets</i>	<u>59,527,714</u>	<u>54,800,862</u>	<u>997,562</u>	<u>119,774</u>	<u>60,525,276</u>	<u>54,920,636</u>
<i>Deferred Outflows of Resources</i>	<u>2,235,297</u>	<u>3,615,962</u>	<u>28,682</u>	<u>39,162</u>	<u>2,263,979</u>	<u>3,655,124</u>
<u>Liabilities:</u>						
Current and Other Liabilities	4,321,913	1,507,248	406,532	50,152	4,728,445	1,557,400
<i>Long-Term Liabilities:</i>						
Due Within One Year	945,153	855,485	33,612	32,119	978,765	887,604
<i>Due in More than One Year:</i>						
Net Pension Liability	9,737,268	13,109,573	109,720	140,417	9,846,988	13,249,990
Net OPEB Liability	0	8,217,547	0	93,079	0	8,310,626
Other Amounts	1,113,807	1,068,021	634,900	398,885	1,748,707	1,466,906
<i>Total Liabilities</i>	<u>16,118,141</u>	<u>24,757,874</u>	<u>1,184,764</u>	<u>714,652</u>	<u>17,302,905</u>	<u>25,472,526</u>
<i>Deferred Inflows of Resources</i>	<u>12,257,652</u>	<u>7,433,819</u>	<u>90,256</u>	<u>55,191</u>	<u>12,347,908</u>	<u>7,489,010</u>
<u>Net Position:</u>						
Net Investment in Capital Assets	26,553,449	26,807,690	0	0	26,553,449	26,807,690
Restricted	16,087,351	15,584,917	0	0	16,087,351	15,584,917
Unrestricted	(9,253,582)	(16,167,476)	(248,776)	(610,907)	(9,502,358)	(16,778,383)
<i>Total Net Position</i>	<u>\$33,387,218</u>	<u>\$26,225,131</u>	<u>(\$248,776)</u>	<u>(\$610,907)</u>	<u>\$33,138,442</u>	<u>\$25,614,224</u>

The net pension liability (NPL) and other postemployment benefits (OPEB) liability are the largest liabilities reported by the County at December 31, 2021 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 asset and deferred outflows related to pension and OPEB.

Meigs County, Ohio
Management's Discussion and Analysis
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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 the "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 liability(asset), respectively, not accounted for as deferred inflows/outflows.

Meigs County, Ohio
Management's Discussion and Analysis
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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 \$33,138,442. By far, the largest portion of the County's net position (80.13%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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. An additional portion of the County's net position represents resources that are subject to restrictions on how they can be used. These resources accounted for 48.55% of total net position. The remaining deficit balance represents unrestricted net position and may be used to meet the County's ongoing obligation to citizens and creditors. Total net position increased in 2021 by \$7,524,218. As of December 31, 2021, the County is able to report a positive net position of \$33,387,218 for governmental activities. For business-type activities, a negative net position of \$248,776 is reported.

Table 2 shows the changes in net position for 2021 compared to 2020.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$4,517,791	\$4,173,352	\$417,786	\$399,135	\$4,935,577	\$4,572,487
Operating Grants and Contributions	11,905,523	14,001,155	741,167	0	12,646,690	14,001,155
Capital Grants and Contributions	109,610	89,354	0	0	109,610	89,354
Total Program Revenues	\$16,532,924	\$18,263,861	\$1,158,953	\$399,135	\$17,691,877	\$18,662,996
<i>General Revenues:</i>						
Property Taxes	4,669,471	3,801,089	0	0	4,669,471	3,801,089
Sales Taxes	3,133,408	2,770,126	0	0	3,133,408	2,770,126
Lodging Taxes	7,668	5,806	0	0	7,668	5,806
Grants and Entitlements	907,128	2,104,170	0	0	907,128	2,104,170
Unrestricted Investment Earnings	75,532	109,172	0	0	75,532	109,172
Gain on Sale of Capital Assts	0	655,306	0	0	0	655,306
Other	1,232,187	706,411	0	0	1,232,187	706,411
Total General Revenues	10,025,394	10,152,080	0	0	10,025,394	10,152,080
Total Revenue	26,558,318	28,415,941	1,158,953	399,135	27,717,271	28,815,076

(Continued)

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 2
Changes in Net Position (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Expenses:						
<i>General Government:</i>						
Legislative and Executive	3,838,008	3,835,157	0	0	3,838,008	3,835,157
Judicial	938,802	1,954,357	0	0	938,802	1,954,357
Public Safety	2,705,112	4,715,088	0	0	2,705,112	4,715,088
Public Works	4,424,506	7,509,098	0	0	4,424,506	7,509,098
Health	322,134	1,489,005	0	0	322,134	1,489,005
Human Services	7,013,359	9,105,632	0	0	7,013,359	9,105,632
Community and Economic Development	122,449	198,507	0	0	122,449	198,507
Conservative and Recreation	0	216	0	0	0	216
Interest and Fiscal Charges	31,861	38,976	0	0	31,861	38,976
Sewer	0	0	587,489	242,058	587,489	242,058
Water	0	0	209,333	177,582	209,333	177,582
Total Program Expenses	19,396,231	28,846,036	796,822	419,640	20,193,053	29,265,676
Change in Net Position	7,162,087	(430,095)	362,131	(20,505)	7,524,218	(450,600)
Net Position at January 1	26,225,131	26,655,226	(610,907)	(590,402)	25,614,224	26,064,824
Net Position at December 31	<u>\$33,387,218</u>	<u>\$26,225,131</u>	<u>(\$248,776)</u>	<u>(\$610,907)</u>	<u>\$33,138,442</u>	<u>\$25,614,224</u>

Governmental Activities

The most significant program expenses for the County are Human Services, Public Works, Legislative and Executive and Public Safety. These programs account for 92.71% of the total governmental activities. Human Services, which is 36.16% of the total, represents costs associated with providing services for various state and locally mandated public assistance and welfare programs for families and individuals. These expenses reflect programs administered by the Board of Developmental Disabilities, Job and Family Services and Children Services. Public Works, which is 22.81% of the total, represents costs associated with the operation of the County Engineer in maintaining the County's roads and bridges. Legislative and Executive expenses, which accounts for 19.79% of the total, represents costs associated with the general administration of county government including the County Commissioners, Auditor, Treasurer, Prosecutor, and Recorder. Public Safety, which accounts for 13.95% of the total, represents costs mainly associated with the operation of the Sheriff's Department and Emergency Medical Services.

Funding for the most significant programs indicated above is from operating grants, charges for services, and in some instances property and sales taxes. Children Services and the Board of Developmental Disabilities are primarily supported by both voted property tax levies and federal and state monies. The operation of the Sheriff's Department is funded primarily by the General Fund. The most significant funding sources for the County Engineer are motor vehicle license fees and gasoline taxes.

The net position for the governmental activities increased \$7,162,087 or 27.31% in 2021.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and sales, grants and contributions offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
General Government				
Legislative and Executive	\$3,838,008	\$3,835,157	\$2,392,485	\$2,535,096
Judicial	938,802	1,954,357	(565,838)	858,464
Public Safety	2,705,112	4,715,088	(1,318,373)	771,864
Public Works	4,424,506	7,509,098	(812,704)	2,441,238
Health	322,134	1,489,005	317,281	93,418
Human Services	7,013,359	9,105,632	2,799,928	3,721,320
Community and Economic Development	122,449	198,507	18,667	121,583
Conservative and Recreation	0	216	0	216
Interest and Fiscal Charges	31,861	38,976	31,861	38,976
Total Expenses	<u>\$19,396,231</u>	<u>\$28,846,036</u>	<u>\$2,863,307</u>	<u>\$10,582,175</u>

It should be noted that 85.24% of the total cost of services for governmental activities are derived from program revenues including charges for services, operating grants, and capital grants and other contributions.

For Legislative and Executive, the majority of the \$2,392,485 in net cost of services represents the cost of general government operating expenses. The expenses, primarily in the General Fund, are supported through taxes and other general revenues.

Business-Type Activities

Business-type activities include the Rutland Sewer Fund. This program had total operating revenues of \$274,084 and expenses of \$585,253 for the year 2021. Total business-type activities net position increased due to increased operating grants and contributions in 2021. As previously discussed, management reviews the operations and fees and sets the user fee structure. Business-type activities generally receive no support from tax revenues.

The County's Funds

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$26,268,778 and expenditures and other financing uses of \$26,778,950. The net change in fund balance for the year was most significant in the Auto License and Gas Fund. The fund balance increased \$886,849 as a result of a decrease in public works expenditures.

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The MCBDD Fund had a decrease of \$59,931 due to an increase in expenditures. The Job and Family Services Fund had a decrease in fund balance in the amount of \$309,294 primarily due to an increase expenditures. The General Fund had a decrease of \$117,472 primarily due to an increase in expenditures. The EMS Fund had an increase in fund balance in the amount of \$41,951 as a result of a revenues exceeding expenditures.

General Fund Budgeting Highlights

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

During the course of the year 2021 the County amended its General Fund budget numerous times. The County uses department based budgeting and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the General Fund, final budget basis revenues were \$7,149,604, which had a \$455,389 change from the original budget of \$6,694,215. Based upon a downward spiraling national and state economy, the County was pleased that actual revenue exceeded estimates for the calendar year. The increase in actual revenues is due mainly to an increase in charges for services. Original budget basis expenditures were \$6,454,240, which was below final budget estimates of \$7,492,666, due mainly to increases in legislative and executive and public safety expenditures. Actual expenditures were monitored closely and resulted in lower than expected spending primarily for general government expenditures.

The County's 2021 ending unobligated General Fund cash balance was \$698,816 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2021 the County had \$27,620,878 invested in land, construction in progress, furniture and fixtures, buildings and improvements, machinery and equipment, vehicles and infrastructure, of which \$27,286,277 was in governmental activities.

Table 4
Capital Assets at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$1,089,151	\$1,088,951	\$0	\$0	\$1,089,151	\$1,088,951
Construction in Progress	0	0	174,333	174,333	174,333	174,333
Buildings and Improvements	1,664,630	1,658,594	145,143	160,421	1,809,773	1,819,015
Machinery and Equipment	1,707,738	1,574,824	0	0	1,707,738	1,574,824
Furniture and Fixtures	2,510	3,227	0	0	2,510	3,227
Vehicles	1,331,179	1,139,170	15,125	17,875	1,346,304	1,157,045
Infrastructure	21,491,069	22,273,498	0	0	21,491,069	22,273,498
<i>Total Capital Assets</i>	<u>\$27,286,277</u>	<u>\$27,738,264</u>	<u>\$334,601</u>	<u>\$352,629</u>	<u>\$27,620,878</u>	<u>\$28,090,893</u>

See Note 11 to the basic financial statements for more information on the County's capital assets.

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Debt

As of December 31, 2021 the County had \$1,585,960 in loans and leases with \$233,313 of this long term debt due within one year. See Note 15 for more information regarding the County's debt. Table 5 summarizes long-term bonds and loans outstanding.

Table 5
Outstanding Debt at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loans	\$666,948	\$514,782	\$0	\$0
Leases	199,317	342,589	0	0
OPWC Loans	65,883	73,203	0	0
OWDA Loans	0	0	391,327	412,597
USDA Loans	0	0	261,510	0
EPA Loans	0	0	975	3,900
<i>Total Debt Outstanding</i>	<u>\$932,148</u>	<u>\$930,574</u>	<u>\$653,812</u>	<u>\$416,497</u>

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The County's legal debt margin as of December 31, 2021 is \$8,479,117.

For the Future

The County is continuing to monitor its finances closely due to the tightening of finances that Meigs County and most other counties of comparable size have experienced for the past several years. The County heavily depends on its sales tax revenue in the budgeting process. The cash position of Meigs County's General Fund has decreased over the past three years and the trend is expected to continue. Concern exists for all Meigs County Departments whose primary revenue sources are generated from consumption based taxes due to the current state of the economy being experienced not only in Meigs County, but throughout the United States.

In conclusion, the County has committed itself to fiscal responsibility and conservative financial management for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities and resources will be needed to meet the challenges of the future as all subdivisions of local government are entrenched in the battle of increasing general operating costs, decreasing revenues and the likelihood of sweeping tax law changes.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information contact Mary Byer - Hill, CPA, County Auditor, 100 E. Second Street, Room 201, Pomeroy, Ohio 45769, or e-mail at meigsauditor@suddenlinkmail.com or telephone at (740) 992-4609.

Meigs County, Ohio
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$19,135,195	\$316,447	\$19,451,642
Cash and Cash Equivalents in Segregated Accounts	221,463	0	221,463
Materials and Supplies	48,308	0	48,308
<i>Receivables:</i>			
Property Taxes	6,409,418	0	6,409,418
Sales Tax	779,361	0	779,361
Other Local Taxes	1,008	0	1,008
Accounts	519,197	83,461	602,658
Intergovernmental	3,344,232	720,830	4,065,062
Internal Balances	471,776	(471,776)	0
Prepaid Items	177,827	1,446	179,273
Net OPEB Asset	1,133,652	12,553	1,146,205
Nondepreciable Capital Assets	1,089,151	174,333	1,263,484
Depreciable Capital Assets, net of depreciation	26,197,126	160,268	26,357,394
<i>Total Assets</i>	<u>59,527,714</u>	<u>997,562</u>	<u>60,525,276</u>
Deferred Outflows of Resources			
Pension	1,643,909	19,891	1,663,800
OPEB	591,388	8,791	600,179
<i>Total Deferred Outflows of Resources</i>	<u>2,235,297</u>	<u>28,682</u>	<u>2,263,979</u>
Liabilities:			
Accounts Payable	752,204	5,143	757,347
Accrued Wages and Benefits	395,324	4,275	399,599
Contracts Payable	0	392,694	392,694
Intergovernmental Payable	397,129	2,480	399,609
Claims Payable	275,071	0	275,071
Accrued Interest Payable	2,499	1,940	4,439
Unearned Revenue	2,499,686	0	2,499,686
<i>Long-Term Liabilities:</i>			
Due Within One Year	945,153	33,612	978,765
<i>Due In More Than One Year:</i>			
Net Pension Liability	9,737,268	109,720	9,846,988
Other Amounts Due In More Than One Year	1,113,807	634,900	1,748,707
<i>Total Liabilities</i>	<u>16,118,141</u>	<u>1,184,764</u>	<u>17,302,905</u>
Deferred Inflows of Resources			
Property Taxes not Levied to Finance Current Year Operations	4,454,893	0	4,454,893
Pension	4,445,662	50,175	4,495,837
OPEB	3,357,097	40,081	3,397,178
<i>Total Deferred Inflows of Resources</i>	<u>12,257,652</u>	<u>90,256</u>	<u>12,347,908</u>
Net Position:			
Net Investment in Capital Assets	26,553,449	0	26,553,449
<i>Restricted for:</i>			
Debt Service	156,180	0	156,180
Capital Outlay	211,481	0	211,481
Other Purposes	15,719,690	0	15,719,690
Unrestricted	(9,253,582)	(248,776)	(9,502,358)
<i>Total Net Position</i>	<u>\$33,387,218</u>	<u>(\$248,776)</u>	<u>\$33,138,442</u>

See accompanying notes to the basic financial statements .

Meigs County, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Functions/Programs				
Primary Government:				
Governmental Activities:				
<i>General Government:</i>				
Legislative and Executive	\$3,838,008	\$1,214,005	\$217,460	\$14,058
Judicial	938,802	1,005,752	498,888	0
Public Safety	2,705,112	2,119,129	1,904,356	0
Public Works	4,424,506	52,810	5,088,848	95,552
Health	322,134	4,853	0	0
Human Services	7,013,359	121,242	4,092,189	0
Community and Economic Development	122,449	0	103,782	0
Interest and Fiscal Charges	31,861	0	0	0
<i>Total Governmental Activities</i>	<u>19,396,231</u>	<u>4,517,791</u>	<u>11,905,523</u>	<u>109,610</u>
Business-Type Activities:				
Rutland Sewer	587,489	274,084	741,167	0
Rutland Water	209,333	143,702	0	0
<i>Total Business-Type Activities</i>	<u>796,822</u>	<u>417,786</u>	<u>741,167</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$20,193,053</u>	<u>\$4,935,577</u>	<u>\$12,646,690</u>	<u>\$109,610</u>

General Revenues:

Property Taxes Levied for:

- General Purposes
- Public Safety
- Levy for 911 Services
- Human Services
- Sales Taxes
- Lodging Taxes
- Grants and Contributions Not Restricted to Specific Programs
- Investment Earnings
- Miscellaneous

Total General Revenues

Changes in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(\$2,392,485)	\$0	(\$2,392,485)
565,838	0	565,838
1,318,373	0	1,318,373
812,704	0	812,704
(317,281)	0	(317,281)
(2,799,928)	0	(2,799,928)
(18,667)	0	(18,667)
(31,861)	0	(31,861)
<u>(2,863,307)</u>	<u>0</u>	<u>(2,863,307)</u>
0	427,762	427,762
0	(65,631)	(65,631)
<u>0</u>	<u>362,131</u>	<u>362,131</u>
(2,863,307)	362,131	(2,501,176)
1,868,474	0	1,868,474
745,476	0	745,476
461,586	0	461,586
1,593,935	0	1,593,935
3,133,408	0	3,133,408
7,668	0	7,668
907,128	0	907,128
75,532	0	75,532
<u>1,232,187</u>	<u>0</u>	<u>1,232,187</u>
<u>10,025,394</u>	<u>0</u>	<u>10,025,394</u>
7,162,087	362,131	7,524,218
<u>26,225,131</u>	<u>(610,907)</u>	<u>25,614,224</u>
<u>\$33,387,218</u>	<u>(\$248,776)</u>	<u>\$33,138,442</u>

Meigs County, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

	General	Board of Developmental Disabilities	Job and Family Services
Assets			
Equity in Pooled Cash and Investments	\$3,410,111	\$2,394,303	\$298,142
Cash and Cash Equivalents:			
In Segregated Accounts	50,876	8,550	0
Receivables:			
Property Taxes	2,543,329	2,187,429	0
Sales Tax	779,361	0	0
Accounts	69,055	0	0
Interfund	1,776,259	0	179,594
Intergovernmental	427,798	204,486	0
Other Local Taxes receivable	0	0	0
Materials and Supplies Inventory	7,854	5,654	9,786
Prepaid Items	47,173	13,357	33,949
<i>Total Assets</i>	<u>\$9,111,816</u>	<u>\$4,813,779</u>	<u>\$521,471</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	\$214,056	\$23,317	\$70,425
Accrued Wages and Benefits	122,641	41,671	78,752
Intergovernmental Payable	178,228	53,969	48,568
Interfund Payable	405	0	36,951
Claims Payable	0	0	0
Unearned Revenue	0	0	130,091
<i>Total Liabilities</i>	<u>515,330</u>	<u>118,957</u>	<u>364,787</u>
Deferred Inflows of Resources:			
Property Taxes not Levied to Finance Current Year Operations	1,754,057	1,527,882	0
Unavailable Revenue - Delinquent Taxes	699,425	601,551	0
Unavailable Revenue - Sales Taxes	260,775	0	0
Unavailable Revenue - Grants	214,885	65,494	0
<i>Total Deferred Inflows of Resources</i>	<u>2,929,142</u>	<u>2,194,927</u>	<u>0</u>
Fund Balances			
Nonspendable	281,567	19,011	43,735
Restricted	0	2,480,884	112,949
Committed	2,220,028	0	0
Assigned	399,727	0	0
Unassigned	2,766,022	0	0
<i>Total Fund Balances (Deficits)</i>	<u>5,667,344</u>	<u>2,499,895</u>	<u>156,684</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,111,816</u>	<u>\$4,813,779</u>	<u>\$521,471</u>

See accompanying notes to the basic financial statements.

Auto License and Gas	EMS	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
\$3,914,378	\$1,638,717	\$2,204,708	\$5,274,836	19,135,195
5,176	5,168	0	151,693	221,463
0	1,036,531	0	642,129	6,409,418
0	0	0	0	779,361
23,663	234,000	0	192,479	519,197
0	0	0	0	1,955,853
2,356,922	23,823	0	331,203	3,344,232
0	0	0	1,008	1,008
21,252	3,762	0	0	48,308
15,791	18,732	0	48,825	177,827
<u>\$6,337,182</u>	<u>\$2,960,733</u>	<u>\$2,204,708</u>	<u>\$6,642,173</u>	<u>\$32,591,862</u>
\$32,055	\$22,886	\$23,000	\$366,465	\$752,204
48,517	49,613	0	54,130	395,324
39,980	26,656	0	49,728	397,129
0	0	0	1,446,721	1,484,077
275,071	0	0	0	275,071
0	0	2,181,708	187,887	2,499,686
<u>395,623</u>	<u>99,155</u>	<u>2,204,708</u>	<u>2,104,931</u>	<u>5,803,491</u>
0	728,255	0	444,699	4,454,893
0	285,050	0	277,783	1,863,809
0	0	0	0	260,775
1,601,843	23,823	0	64,932	1,970,977
<u>1,601,843</u>	<u>1,037,128</u>	<u>0</u>	<u>787,414</u>	<u>8,550,454</u>
37,043	22,494	0	48,825	452,675
4,302,673	1,801,956	0	4,881,804	13,580,266
0	0	0	0	2,220,028
0	0	0	0	399,727
0	0	0	(1,180,801)	1,585,221
<u>4,339,716</u>	<u>1,824,450</u>	<u>0</u>	<u>3,749,828</u>	<u>18,237,917</u>
<u>\$6,337,182</u>	<u>\$2,960,733</u>	<u>\$2,204,708</u>	<u>\$6,642,173</u>	<u>\$32,591,862</u>

Meigs County, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2021*

Total Governmental Funds Balances		\$18,237,917
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,286,277
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	1,863,809	
Sales Taxes	260,775	
Intergovernmental	1,970,977	
Total		4,095,561
Long-term liabilities, including bonds, loans, capital lease obligations, and long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Loans Payable	(732,831)	
Interest Payable	(2,499)	
Capital Leases Payable	(199,317)	
Compensated Absences	(1,126,812)	
Total		(2,061,459)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	1,643,909	
Deferred Outflows - OPEB	591,388	
Deferred Inflows - Pension	(4,445,662)	
Deferred Inflows - OPEB	(3,357,097)	
Net OPEB Asset	1,133,652	
Net Pension Liability	(9,737,268)	
Total		(14,171,078)
Net Position of Governmental Activities		\$33,387,218

See accompanying notes to the basic financial statements.

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Meigs County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Board of Developmental Disabilities	Job and Family Services
Revenues			
Property Tax	\$1,675,114	\$1,409,387	\$0
Sales Tax	3,124,981	0	0
Other Local Taxes	0	0	0
Intergovernmental	1,075,394	915,584	3,143,543
Interest	60,942	0	0
Charges for Services	1,411,253	0	0
Fees, License and Permits	1,423	0	0
Fines and Forfeitures	134,754	0	0
Other	110,741	81,045	856,695
<i>Total Revenues</i>	<u>7,594,602</u>	<u>2,406,016</u>	<u>4,000,238</u>
Expenditures			
Current:			
General Government:			
Legislative and Executive	3,469,738	0	0
Judicial	952,050	0	0
Public Safety	2,325,277	0	0
Public Works	148,350	0	0
Health	161,879	0	0
Human Services	516,279	2,465,947	4,323,213
Economic Development and Assistance	10,731	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	137,689	0	5,583
Interest and Fiscal Charges	13,544	0	0
<i>Total Expenditures</i>	<u>7,735,537</u>	<u>2,465,947</u>	<u>4,328,796</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(140,935)</u>	<u>(59,931)</u>	<u>(328,558)</u>
Other Financing Sources (Uses)			
Loans Issued	210,431	0	0
Proceeds from the Sale of Capital Assets	0	0	0
Transfers In	0	0	19,264
Transfers Out	(186,968)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>23,463</u>	<u>0</u>	<u>19,264</u>
<i>Net Change in Fund Balances</i>	(117,472)	(59,931)	(309,294)
<i>Fund Balances (Deficits) Beginning of Year</i>	<u>5,784,816</u>	<u>2,559,826</u>	<u>465,978</u>
<i>Fund Balances (Deficits) End of Year</i>	<u>\$5,667,344</u>	<u>\$2,499,895</u>	<u>\$156,684</u>

See accompanying notes to the basic financial statements.

Auto License and Gas	EMS	American Recovery Plan	Other Governmental Funds	Total Governmental Funds
\$0	\$668,491		\$412,854	\$4,165,846
0	0		0	3,124,981
0	0		7,668	7,668
5,004,100	2,604	43,000	2,513,591	12,697,816
14,590	0		0	75,532
21,931	1,422,000		1,452,627	4,307,811
0	0		14,782	16,205
30,879	0		65,994	231,627
54,210	11,800		117,696	1,232,187
<u>5,125,710</u>	<u>2,104,895</u>	<u>43,000</u>	<u>4,585,212</u>	<u>25,859,673</u>
0	0	43,000	764,329	4,277,067
0	0		591,928	1,543,978
0	2,062,944		1,169,939	5,558,160
4,231,541	0		45,695	4,425,586
0	0		8,336	170,215
0	0		2,073,211	9,378,650
0	0		223,199	233,930
0	0		765,152	765,152
7,320	0		58,265	208,857
0	0		16,843	30,387
<u>4,238,861</u>	<u>2,062,944</u>	<u>43,000</u>	<u>5,716,897</u>	<u>26,591,982</u>
<u>886,849</u>	<u>41,951</u>	<u>0</u>	<u>(1,131,685)</u>	<u>(732,309)</u>
0	0		0	210,431
0	0		11,706	11,706
0	0		167,704	186,968
0	0		0	(186,968)
<u>0</u>	<u>0</u>	<u>0</u>	<u>179,410</u>	<u>222,137</u>
886,849	41,951	0	(952,275)	(510,172)
<u>3,452,867</u>	<u>1,782,499</u>	<u>0</u>	<u>4,702,103</u>	<u>18,748,089</u>
<u>\$4,339,716</u>	<u>\$1,824,450</u>	<u>\$0</u>	<u>\$3,749,828</u>	<u>\$18,237,917</u>

Meigs 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, 2021*

Net Change in Fund Balances - Total Governmental Funds	(\$510,172)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
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 depreciation exceeded capital outlay in the current period:	
Capital Asset Additions	2,187,614
Current Year Depreciation	<u>(2,489,877)</u>
Total	(302,263)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.	
	(149,724)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Taxes	604,820
Sales Taxes	8,427
Intergovernmental	<u>85,398</u>
Total	698,645
Proceeds from the issuance of long term notes, bonds and loans in the Statement of Revenues, Expenditures and Changes in Fund Balances that are not reported as revenues in the Statement of Activities.	
	(210,431)
Repayment of loan and capital lease principal are expenditures in the governmental funds, but but repayment reduces liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities.	
	208,857
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.	
Increase in Compensated Absences	(133,880)
Increase in Interest Payable	<u>(1,477)</u>
Total	(135,357)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
	1,391,356
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
	<u>6,171,176</u>
Net Change in Net Position of Governmental Activities	<u><u>\$7,162,087</u></u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$4,448,000	\$4,914,284	\$4,742,437	(\$171,847)
Charges for Services	616,650	613,534	1,036,949	423,415
Fees, Licenses and Permits	1,125	1,100	1,423	323
Fines and Forfeitures	120,040	120,037	133,303	13,266
Intergovernmental	813,000	838,000	1,064,688	226,688
Interest	65,000	50,322	65,322	15,000
Other	630,400	612,327	128,625	(483,702)
<i>Total Revenues</i>	<u>6,694,215</u>	<u>7,149,604</u>	<u>7,172,747</u>	<u>23,143</u>
Expenditures:				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	2,928,250	3,374,874	3,264,304	110,570
Judicial	855,002	839,019	806,419	32,600
Public Safety	1,919,919	2,419,599	2,339,222	80,377
Public Works	135,827	150,488	147,326	3,162
Health	174,460	195,157	166,669	28,488
Human Services	431,437	502,362	485,092	17,270
Community and Economic Development	9,345	11,167	10,731	436
<i>Total Expenditures</i>	<u>6,454,240</u>	<u>7,492,666</u>	<u>7,219,763</u>	<u>272,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>239,975</u>	<u>(343,062)</u>	<u>(47,016)</u>	<u>296,046</u>
Other Financing Sources (Uses):				
Transfers In	20,000	20,000	250,000	230,000
Loans Issued	210,431	210,431	210,431	0
Transfers Out	(154,555)	(187,258)	(186,968)	290
Advances Out	(25,000)	(105,000)	(105,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>50,876</u>	<u>(61,827)</u>	<u>168,463</u>	<u>230,290</u>
<i>Net Change in Fund Balance</i>	290,851	(404,889)	121,447	526,336
<i>Fund Balance at Beginning of Year</i>	536,302	536,302	536,302	0
<i>Prior Year Encumbrances Appropriated</i>	<u>41,067</u>	<u>41,067</u>	<u>41,067</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$868,220</u>	<u>\$172,480</u>	<u>\$698,816</u>	<u>\$526,336</u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$1,300,000	\$1,300,000	\$1,412,471	\$112,471
Intergovernmental	779,000	552,981	927,040	374,059
Other	43,500	43,500	77,902	34,402
<i>Total Revenues</i>	2,122,500	1,896,481	2,417,413	520,932
Expenditures:				
<i>Current:</i>				
Human Services	2,743,000	2,940,000	2,415,709	524,291
<i>Total Expenditures</i>	2,743,000	2,940,000	2,415,709	524,291
<i>Net Change in Fund Balance</i>	(620,500)	(1,043,519)	1,704	1,045,223
<i>Fund Balance at Beginning of Year</i>	2,392,599	2,392,599	2,392,599	0
<i>Fund Balance at End of Year</i>	\$1,772,099	\$1,349,080	\$2,394,303	\$1,045,223

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$4,373,000	\$3,346,874	\$4,030,665	\$683,791
Other	850,000	850,000	172,905	(677,095)
<i>Total Revenues</i>	5,223,000	4,196,874	4,203,570	(6,696)
Expenditures:				
<i>Current:</i>				
Human Services	5,323,000	4,554,111	4,270,558	283,553
<i>Total Expenditures</i>	5,323,000	4,554,111	4,270,558	283,553
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,000)	(357,237)	(66,988)	290,249
Other Financing Sources:				
Advances In	50,000	0	0	0
Transfers In	50,000	19,264	19,264	0
<i>Total Other Financing Sources</i>	100,000	19,264	19,264	0
<i>Net Change in Fund Balance</i>	0	(357,237)	(47,724)	290,249
<i>Fund Balance at Beginning of Year</i>	337,973	337,973	337,973	0
<i>Fund Balance at End of Year</i>	\$337,973	\$0	\$290,249	290,249

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auto License and Gas Tax Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for Services	\$150	\$138	\$138	\$0
Fines and Forfeitures	18,000	23,213	29,210	5,997
Intergovernmental	4,680,000	4,680,000	4,970,426	290,426
Interest	14,500	13,090	14,590	1,500
Other	40,000	148,481	53,208	(95,273)
<i>Total Revenues</i>	<u>4,752,650</u>	<u>4,864,922</u>	<u>5,067,572</u>	<u>202,650</u>
Expenditures:				
<i>Current:</i>				
Public Works	7,012,830	7,126,524	3,810,513	3,316,011
<i>Debt Service:</i>				
Principal Retirement	7,320	7,320	7,320	0
<i>Total Expenditures</i>	<u>7,020,150</u>	<u>7,133,844</u>	<u>3,817,833</u>	<u>3,316,011</u>
<i>Net Change in Fund Balance</i>	(2,267,500)	(2,268,922)	1,249,739	3,518,661
<i>Fund Balance Beginning of Year</i>	<u>2,494,958</u>	<u>2,494,958</u>	<u>2,494,958</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$227,458</u></u>	<u><u>\$226,036</u></u>	<u><u>\$3,744,697</u></u>	<u><u>\$3,518,661</u></u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Emergency Management Services Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$625,000	\$669,311	\$669,311	\$0
Charges for Services	1,460,000	1,460,000	1,471,641	11,641
Intergovernmental	1,000	1,000	2,604	1,604
Other	0	0	11,800	11,800
<i>Total Revenues</i>	2,086,000	2,130,311	2,155,356	25,045
Expenditures:				
<i>Current:</i>				
Public Safety	2,086,000	2,248,000	2,053,611	194,389
<i>Total Expenditures</i>	2,086,000	2,248,000	2,053,611	194,389
<i>Net Change in Fund Balance</i>	0	(117,689)	101,745	219,434
<i>Fund Balance Beginning of Year</i>	1,536,972	1,536,972	1,536,972	0
<i>Fund Balance End of Year</i>	\$1,536,972	\$1,419,283	\$1,638,717	\$219,434

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
American Recovery Plan
For the Year Ended December 31, 2021*

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$2,200,000	\$2,200,000	\$2,224,708	\$24,708
<i>Total Revenues</i>	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,224,708</u>	<u>24,708</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	2,200,000	2,020,000	20,000	2,000,000
<i>Total Expenditures</i>	<u>2,200,000</u>	<u>2,020,000</u>	<u>20,000</u>	<u>2,000,000</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>180,000</u>	<u>2,204,708</u>	<u>2,024,708</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$180,000</u>	<u>\$2,204,708</u>	<u>\$2,024,708</u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities		
	Enterprise Funds		
	Rutland Sewer	All Other Enterprise Funds	Total
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Investments	\$316,447	\$0	\$316,447
Accounts Receivable	56,117	27,344	83,461
Intergovernmental Receivable	720,830	0	720,830
Prepaid Items	1,094	352	1,446
<i>Total Current Assets</i>	<u>1,094,488</u>	<u>27,696</u>	<u>1,122,184</u>
<i>Noncurrent Assets:</i>			
Nondepreciable Capital Assets	174,333	0	174,333
Depreciable Capital Assets, Net	160,268	0	160,268
Net OPEB Asset	9,415	3,138	12,553
<i>Total Noncurrent Assets</i>	<u>344,016</u>	<u>3,138</u>	<u>347,154</u>
<i>Total Assets</i>	<u>1,438,504</u>	<u>30,834</u>	<u>1,469,338</u>
Deferred Outflows of Resources			
Pension	15,814	4,077	19,891
OPEB	7,095	1,696	8,791
<i>Total Deferred Outflows of Resources</i>	<u>22,909</u>	<u>5,773</u>	<u>28,682</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	5,143	0	5,143
Accrued Wages and Benefits	3,176	1,099	4,275
Contracts Payable	391,994	700	392,694
Intergovernmental Payable	2,015	465	2,480
Accrued Interest Payable	1,940	0	1,940
Interfund Payable	267,544	204,232	471,776
Compensated Absences Payable - Current Portion	12,731	4,244	16,975
OWDA Loans Payable - Current Portion	16,637	0	16,637
<i>Total Current Liabilities</i>	<u>701,180</u>	<u>210,740</u>	<u>911,920</u>
<i>Noncurrent Liabilities</i>			
OWDA Loans Payable	373,390	0	373,390
USDA Loans Payable	261,510	0	261,510
Net Pension Liability	82,290	27,430	109,720
<i>Total Noncurrent Liabilities</i>	<u>717,190</u>	<u>27,430</u>	<u>744,620</u>
<i>Total Liabilities</i>	<u>1,418,370</u>	<u>238,170</u>	<u>1,656,540</u>
Deferred Inflows of Resources			
Pension	37,928	12,247	50,175
OPEB	30,246	9,835	40,081
<i>Total Deferred Inflows of Resources</i>	<u>68,174</u>	<u>22,082</u>	<u>90,256</u>
Net Position:			
Unrestricted	<u>(25,131)</u>	<u>(223,645)</u>	<u>(248,776)</u>
<i>Total Net Position</i>	<u><u>(\$25,131)</u></u>	<u><u>(\$223,645)</u></u>	<u><u>(248,776)</u></u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021*

	Business-Type Activities Enterprise Funds		
	Rutland Sewer	All Other Enterprise Funds	Total
Operating Revenues:			
Charges for Services	\$274,084	\$143,702	\$417,786
<i>Total Operating Revenues</i>	<u>274,084</u>	<u>143,702</u>	<u>417,786</u>
Operating Expenses:			
Personal Services	32,151	53,243	85,394
Contractual Services	535,074	155,790	690,864
Depreciation	18,028	0	18,028
Other	0	300	300
<i>Total Operating Expenses</i>	<u>585,253</u>	<u>209,333</u>	<u>794,586</u>
<i>Operating (Loss) Gain</i>	(311,169)	(65,631)	(376,800)
Nonoperating Revenues (Expenses):			
Intergovernmental	741,167	0	741,167
Interest and Fiscal Charges	(2,236)	0	(2,236)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>738,931</u>	<u>0</u>	<u>738,931</u>
<i>Change in Net Position</i>	427,762	(65,631)	362,131
<i>Net Position at Beginning of Year</i>	<u>(452,893)</u>	<u>(158,014)</u>	<u>(610,907)</u>
<i>Net Position at End of Year</i>	<u><u>(\$25,131)</u></u>	<u><u>(\$223,645)</u></u>	<u><u>(\$248,776)</u></u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities Enterprise Fund		
	Rutland Sewer	All Other Enterprise Funds	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$272,165	\$143,237	\$415,402
Cash Payments to Suppliers for Goods and Services	(97,837)	(74,514)	(172,351)
Cash Payments to Employees for Services and Benefits	(157,423)	(178,182)	(335,605)
Cash Payments for Other Expenses	0	(300)	(300)
<i>Net Cash Used for Operating Activities</i>	<u>16,905</u>	<u>(109,759)</u>	<u>(92,854)</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Cash Loans	(103,482)	109,759	6,277
Advances In	150,000	0	150,000
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>46,518</u>	<u>109,759</u>	<u>156,277</u>
Cash Flows from Capital and Related Financing Activities:			
Receipts from Capital Grants	18,062	0	18,062
Cash Received from debt issued	263,785	0	263,785
Principal Payments	(26,470)	0	(26,470)
Interest Payments	(2,353)	0	(2,353)
<i>Net Cash Provided by Capital and Related Financing Activities</i>	<u>253,024</u>	<u>0</u>	<u>253,024</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	316,447	0	316,447
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$316,447</u>	<u>\$0</u>	<u>\$316,447</u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021
(continued)

	Business-Type Activities Enterprise Fund		
	Rutland Sewer	All Other Enterprise Funds	Total
	Rutland Sewer	All Other Enterprise Funds	Total
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating (Loss) Gain	(\$311,169)	(\$65,631)	(\$376,800)
<i>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</i>			
Depreciation	18,028	0	18,028
<i>Changes in Assets and Liabilities:</i>			
Increase in Accounts Receivable	(1,919)	(465)	(2,384)
Decrease in Prepaid Items	81	40	121
Increase in Net OPEB Asset	(9,415)	(3,138)	(12,553)
Decrease in Deferred Outflows	5,707	4,773	10,480
Increase in Accounts Payable	3,819	0	3,819
Increase (Decrease) in Contracts Payable	384,179	(22,392)	361,787
Increase in Accrued Wages and Benefits	691	245	936
Increase in Compensated Absences Payable	1,851	617	2,468
Increase (Decrease) in Intergovernmental Payable	(10,081)	36	(10,045)
Increase in Deferred Inflows	25,880	9,185	35,065
Increase (Decrease) in Net Pension Liability	(21,769)	(8,928)	(30,697)
Decrease in Net OPEB Liability	(68,978)	(24,101)	(93,079)
Total Adjustments	328,074	(44,128)	283,946
<i>Net Cash Used for Operating Activities</i>	<u>\$16,905</u>	<u>(\$109,759)</u>	<u>(\$92,854)</u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
Assets	
Equity in Pooled Cash, Cash Equivalents and Investments	\$1,620,013
Cash and Cash Equivalents in Segregated Accounts	334,054
Accounts Receivable	153,835
Intergovernmental Receivable	2,193,127
Prepaid Items	10,387
Property Taxes Receivable	<u>20,457,848</u>
<i>Total Assets</i>	<u>24,769,264</u>
Liabilities	
Accounts Payable	\$93,249
Accrued Wages and Benefits	42,793
Intergovernmental Payable	30,286
Matured Compensated Absences	<u>84,471</u>
<i>Total Liabilities</i>	<u>250,799</u>
Deferred Inflows of Resources	
Property Taxes not Levied to Finance Current Year Operations	14,740,538
Unavailable Revenue	<u>6,019,546</u>
<i>Total Deferred Inflows of Resources</i>	<u>20,760,084</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u>3,758,381</u>
<i>Total Net Position</i>	<u><u>\$3,758,381</u></u>

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Custodial Funds
Additions	
Intergovernmental	\$1,893,387
Amounts Received as Fiscal Agent	2,431,672
Licenses and Permits and Fees for Other Governments	998,422
Fines and Forfeitures for Other Governments	6,532,063
Property Tax Collections for Other Governments	14,050,920
Excise Tax Collections for Other Governments	1,964,088
Sheriff Sale Collections for Other Governments	329,135
<i>Total Additions</i>	28,199,687
Deductions	
Distributions as Fiscal Agent	2,080,322
Distributions to the State Ohio	110,173
Licenses and Permits and Fees Distributions for Other Governments	893,477
Fines and Forfeitures Distributions to Other Governments	7,033,872
Property Tax Distributions to Other Governments	12,622,577
Excise Tax Distributions to Other Governments	1,666,447
Sheriff Sale Distributions to Other Governments	251,367
Distributions to Other Governments	1,115,640
<i>Total Deductions</i>	25,773,875
<i>Change in Net Position</i>	2,425,812
<i>Net Position at Beginning of Year</i>	1,332,569
<i>Net Position at End of Year</i>	\$3,758,381

See accompanying notes to the basic financial statements.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – REPORTING ENTITY

Meigs County (the County), is a body politic and corporate established in 1819 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

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

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

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

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

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

Meigs County Transportation Improvement District

The Meigs County Transportation Improvement District (MCTID) is a legally separate entity pursuant to the Ohio Revised Code Section 5540.03(A)(1). The purpose of the MCTID is to improve the transportation system in Meigs County in order to contribute to the creation or preservation of jobs or employment opportunities or the improvement of economic welfare of the people within the area of the MCTID and to all the State. The Board of Trustees is appointed pursuant to the Ohio Revised Code Section 5540.02(C)(2). The Board of Trustees is made up of five voting members appointed by the Meigs County Commissioners, there are also two nonvoting members, one of which is appointed by the Speaker of the Ohio House of Representatives and the other is appointed by the president of the Ohio Senate. Separately issued financial statements can be obtained from the Meigs County Transportation Improvement District, Pomeroy, Ohio. The MCTID had no activity during 2021 and therefore no additional disclosures have been made.

NOTE 1 - REPORTING ENTITY (Continued)

Meigs County Land Reutilization Corporation

In June 2019, the County Commissioners approved the creation of the Meigs County Land Reutilization Corporation. The Meigs County Land Reutilization Corporation is a legally separate entity established pursuant to the Ohio Revised Code Section 1724 and 1702. The purpose of the Meigs County Land Reutilization Corporation is to facilitate the effective reutilization of nonproductive land situated within the Meigs County Land Reutilization Corporation's boundaries. The Board of Directors is made up of two County Commissioners, the County Treasurer, one representative from the largest municipal corporation within the County and one member selected by the statutory members. Separately issued financial statements can be obtained from the Meigs County Land Reutilization Corporation, Pomeroy, Ohio. No significant financial activity occurred for the Meigs County Land Reutilization Corporation during 2021. As a result, no financial information for the Meigs County Land Reutilization Corporation is presented in the discretely presented component unit column of the County and no additional disclosures have been made.

Separate Agencies

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

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

Other Organizations

The County is also associated with certain organizations which are defined as jointly governed organizations, related organizations, as well as one public entity shared risk pool. These organizations are presented in Notes 19 and 20 to the basic financial statements. The organizations are as follows:

- Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board
- Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District
- Gallia-Meigs Community Action Agency
- Buckeye Hills Regional Council
- Meigs County Park District
- Southern Ohio Council of Governments
- County Commissioners Association of Ohio Workers' Compensation Group Rating Plan
- Buckeye Hills Resource Conservation and Development Council (RC&D)
- Meigs County District Public Library
- Meigs County Metropolitan Housing Authority

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Meigs County (the County and the primary government) follows GASB guidance as applicable to its governmental and business-type activities. The most significant of the County's accounting policies are described below.

A. Basis of Presentation

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

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

The Statement of Net Position presents the financial condition of the governmental activities 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 single business-type activity 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses to 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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, liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund – This fund accounts for all financial resources except those that are 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.

Board of Developmental Disabilities Fund – This fund accounts for the operation of a school and resident homes for the developmentally disabled. Revenue sources include a County wide property tax levy and Federal and State grants. Disbursements are restricted by State statute and grant agreements to mental retardation and developmental disabilities programs.

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

Auto License and Gas Fund – This fund accounts for the County road and bridge maintenance, repair and improvement programs. Revenue sources include charges for services and State grants and distributions.

Emergency Medical Services (EMS) Fund - The Emergency Medical Services Fund accounts for the monies associated with the operation of the County Emergency Medical Services department.

American Recovery Plan Fund - The American Recovery Plan Fund accounts for federal grant monies pertaining to continuation of county operations.

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

Proprietary Funds – 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. The County did not have an internal service fund in 2021.

Enterprise Funds – May be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County’s major enterprise fund.

Rutland Sewer Fund – This fund accounts for sewer services provided to individual users in the Village of Rutland of the County.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County’s fiduciary funds are custodial funds. The County’s custodial funds account for assets held for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures that should be collected on behalf of and which will be distributed to other political subdivisions.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, 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 (i.e., revenues) and decreases (i.e., expenses) in total net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a Balance Sheet, which generally includes only current assets, current liabilities, deferred inflows of resources, and a Statement of Revenues, Expenditures and Changes in Fund Balances, which reports on the sources (i.e., revenues and others 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 all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of 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.

Fiduciary funds are prepared using the accrual basis of accounting.

D. 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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-exchange 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. Revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 7) 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 fiscal 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 non-exchange transactions must also be available before it can be recognized.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under this basis, the following revenue sources are considered to be both measurable and available at fiscal year end: delinquent property taxes, sales taxes, state-levied shared taxes, and grants.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows and Deferred Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 and include pension/OPEB expense. A deferral for pension results from changes in Net Pension Liability not recognized as a component of current year pension/OPEB expense. This amount is deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pension/OPEB are explained further in Note 13 and 14.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. The County reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the County these amounts consist of sales tax receivable, intergovernmental receivables, delinquent property taxes receivable which are not collected in the available period OPEB, and pension. Property taxes for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance fiscal year 2022 operations, have been recorded as deferred inflows of resources. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes receivable and grants and entitlements not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Additionally, deferred inflows related to pension/OPEB are reported in the government-wide Statement of Net Position. Deferred inflows related to pension/OPEB result from changes in Net Pension Liability not recognized as a component of current year pension/OPEB expense. Deferred inflows of resources related to pension/OPEB are explained further in Note 13 and 14.

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. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, provided current financial resources are to be used. As a result, compensated absences are not recorded as expenditures or liabilities until current financial resources are required. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amounts that the County Commissioners may appropriate. The appropriation resolution is the Commissioners authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the fund, function and object level within each department. 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 and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

F. Cash, Cash Equivalents, and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund balance integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

During 2021, the County invested in certificates of deposit.

All interest revenue is reported in the General Fund except that specifically related to those funds deemed appropriate according to Board of County Commissioners' policy. For calendar year 2021, interest revenue amounted to \$75,532. The General Fund received \$60,942 and the Auto License and Gas Fund received \$14,590.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventory in governmental funds consists of expendable supplies held for consumption or use. The cost of inventory items is recorded as expenditure in the governmental funds when consumed or used.

H. Restricted Assets

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

I. 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, collectability.

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.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-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, which are presented as internal balances.

K. Prepaid Items

Payments to vendors for services that benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method. Under the consumption method, a current asset is recorded for the prepaid amount and an expenditure/expense is recorded in the year in which the services are used or consumed.

L. 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 the proprietary funds are reported both in the business-type activities column of the government wide Statement of Net Position and in the respective fund financial statements.

All capital assets are capitalized at cost (determined by the valuation appraisal company hired by the County) and updated for additions and retirements during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The County maintains a capitalization threshold of \$5,000. The County's infrastructure consists of roads, bridges, and culverts. 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. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	30 years
Improvements other than Buildings	5 - 10 years
Roads, Bridges, and Culverts (Infrastructure)	10-50 years
Furniture and Fixtures	10 years
Sewer and Water Lines (Infrastructure)	50 years
Machinery and Equipment	10 years
Vehicles	5 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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 that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end.

Compensated absences are accrued when incurred in the government-wide financial statements and in proprietary funds. A liability for these amounts is recorded in governmental funds only if they have matured, for example as a result of employee resignations and retirements.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the enterprise fund financial statements. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in full from current financial resources as obligations of the funds. Bonds, loans and capital leases are recognized as a liability on the fund financial statements when due.

O. Fund Balance

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

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

Restricted – 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.

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 constrained by the County’s “intent” to be used for specific purposes, but are neither restricted nor committed. The County Commissioners have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. 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.

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

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

P. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings related to the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Other purposes restricted net position includes various grants and other resources restricted for various purposes. The County’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the County’s restricted net position, none are restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. 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 sewer services. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the fund. Revenues and expenses not matching these definitions are reported as non-operating revenues and expenses.

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. 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 nonoperating revenues/expenses in proprietary funds. Interfund transfers within governmental activities are eliminated in the statement of activities. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Pension/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 position have been determined on the same basis as they are reported by the pension/OPEB plan. 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.

T. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Budget Basis) and Actual – are presented in the basic financial statements for the General Fund and major special revenue funds. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding encumbrances at year end are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental fund types (GAAP basis).
4. Advances in and advances out are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Certain funds are reported as part of the General fund on a GAAP basis, but are not reported as part of the General fund on the Budget basis.

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

	Net Change in Fund Balance (Deficit)					American Recovery Plan
	General and Major Special Revenue Funds					
	General	Board of Developmental Disability	Job and Family Services	Auto License and Gas	EMS	
GAAP Basis	(\$117,472)	(\$59,931)	(\$309,294)	\$886,849	\$41,951	\$0
<i>Net Adjustments for:</i>						
Revenue Accruals	(181,559)	11,397	203,332	(58,138)	50,461	2,181,708
Expenditure Accruals	283,207	50,238	66,131	421,028	9,333	23,000
Encumbrances	(33,225)	0	(7,893)	0	0	
<i>Prospective Difference:</i>						
Activity of Funds Reclassified For GAAP Reporting Purposes	170,496	0	0	0	0	
Budget Basis	<u>\$121,447</u>	<u>\$1,704</u>	<u>(\$47,724)</u>	<u>\$1,249,739</u>	<u>\$101,745</u>	<u>\$2,204,708</u>

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*; GASB Statement No.92, *Omnibus 2020*; and GASB Statement No. 93, *Replacement of Interbank Offered Rates*.

GASB Statement No. 91 clarifies the definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The implementation of GASB Statement No.91 did not have an effect on the financial statements of the County.

GASB Statement No. 92 addresses a variety of topics and include guidance on the reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension or OPEB plan, accounting for non-trusted defined benefit pension or OPEB plans, the applicability of certain requirements of Statement No. 84 to postemployment benefit arrangements, assets and liabilities related to AROs acquired through a government acquisition, reinsurance recoveries, terminology used to refer to derivative instruments, and a technical correction to Statement No. 72. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the County.

GASB Statement No. 93 provides accounting and financial reporting guidance for those agreements that are dependent on the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the County.

NOTE 5 – FUND DEFICIT

Fund Balance Deficits - The following funds have a fund balance deficit as of December 31, 2021:

Rutland Sewer	\$25,131
<u>Nonmajor Funds</u>	
Human Services	2,109
One Stop Debt	556
Board of Elections Revenue	21,532
Economic/Workforce Development	30,779
Mediation Grant	5,686
Sheriff Overtime Grant	2,384
Diversion Grant	3,073
Sheriff Cruiser Grant	15,805
WIA	144,041
Meigs County Parks Fund	147,634
Emergency Fund	6,229
Animal Shelter Construction	2,208
County Capital	798,765
Rutland Water	223,645

These deficits are a result of the application of accounting principles generally accepted in the United States of America to the financial reporting of these funds. The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - 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.

Monies held by the County which are not considered active are classified as inactive. Inactive monies can be deposited or invested with certain limitations in the following instruments identified in section 135.35 of the Ohio Revised Code:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, or the political subdivisions of Ohio, provided the bonds or other obligations of political subdivisions mature within ten years of the date of settlement;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value within certain limitations;
9. Up to forty percent of the County's total average portfolio in either (a) high grade commercial paper when the aggregate value of the notes does not exceed 10% of the aggregate value of the outstanding commercial paper of the issuing corporation, and the notes mature no later than 270 days after purchase or (b) bankers acceptances of banks insured by the Federal Deposit Insurance Corporation (FDIC) when the obligations are eligible for purchase by the Federal Reserve System and mature no later than 180 days after purchase.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

10. Up to fifteen percent of the County's total average portfolio in high-grade notes issued by U.S. corporations, or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature no later than three years after purchase.
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a county land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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.

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.

At year-end, the County had \$3,000 in un-deposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

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 The Federal National Mortgage Association Note carried a credit rating by Moody's of Aaa. The County has no investment policy that would limit its investment choices other than the restrictions contained in 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 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.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County places no limit on the amount it may invest in any one issuer.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2017. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes which were measurable and unpaid as of December 31, 2021. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2021 operations.

The full tax rate for all County operations for the year ended December 31, 2021, was \$17.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$347,140,190
Public Utility Personal Property	<u>89,310,410</u>
Total Property Taxes	<u><u>\$436,450,600</u></u>

NOTE 8 – TAX ABATEMENTS

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement programs where the County has promised to forego taxes follows:

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 8 – TAX ABATEMENTS (Continued)

Community Reinvestment Area (CRA) Program

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Directory of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The County determines the type of development to support by specifying the eligibility of residential, commercial and/or industrial projects. The County negotiates property tax exemptions on new property tax from investment for up to one hundred percent (100%) for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretion of the County, are pursuant to ORC Section 9.66(C)(1) and 9.66(C)(2).

A summary of the taxes foregone on the County’s abatement programs for the year ended December 31, 2021 as follows:

Program	Tax Abated	Amount
Community Reinvestment Areas	Property Tax	\$3,337

NOTE 9 - PERMISSIVE SALES TAX

The County Commissioners, by resolution, imposed a 1.5 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to the sales tax. The allocation of the sales tax is 100 percent to the County’s General Fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County to the Ohio Department of Budget and Management (OBM). The Tax Commissioner’s certification must be made within forty-five days after the end of each month. The OBM then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited entirely to the General Fund. Sales and use tax revenue for 2021 amounted to \$3,124,981 in the General Fund.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 10 - RECEIVABLES

Receivables at December 31, 2021 consisted of property and other local taxes, interfund receivable, sales taxes, accounts (billings for user charged services) and intergovernmental grants. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivable follows:

Governmental Activities	
<i>Major Funds:</i>	
General	\$427,798
MCBDD	204,486
Auto License and Gas	2,356,922
EMS	23,823
 <i>Non Major Special Revenue Funds:</i>	
Indigent Drivers Alcohol	769
CDBG	25,140
County Garage	18,702
911 Emergency	10,931
Child Support Enforcement	101,195
Juvenile Court Grants	8,464
Victims Assist Grant	44,343
Prosecutor's Litter	6,034
Diversion Grant	9,636
Juvenile Litter Control	5,772
Pre-Disaster Mitigation	75,270
WIA	10
Community Correction PSI	6,187
ODRC Grant	18,750
Total Nonmajor Special Revenue Funds	331,203
Total Receivables	\$3,344,232

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - CAPITAL ASSETS

A summary of changes in general capital assets during 2021 were as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,088,951	\$200	\$0	\$1,089,151
Total Nondepreciable Capital Assets	1,088,951	200	0	1,089,151
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	5,728,876	67,240	0	5,796,116
Machinery and Equipment	4,505,585	344,461	(147,683)	4,702,363
Furniture and Fixtures	30,791	0	0	30,791
Vehicles	4,167,996	547,906	(579,576)	4,136,326
Infrastructure	49,010,948	1,227,807	(798,845)	49,439,910
Total Depreciable Capital Assets	63,444,196	2,187,414	(1,526,104)	64,105,506
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(4,070,282)	(61,204)	0	(4,131,486)
Machinery and Equipment	(2,930,761)	(202,574)	138,710	(2,994,625)
Furniture and Fixtures	(27,564)	(717)	0	(28,281)
Vehicles	(3,028,826)	(277,146)	500,825	(2,805,147)
Infrastructure	(26,737,450)	(1,948,236)	736,845	(27,948,841)
Total Accumulated Depreciation	(36,794,883)	(2,489,877)	1,376,380	(37,908,380)
Total Depreciable Capital Assets	26,649,313	(302,463)	(149,724)	26,197,126
Governmental Activities Capital Assets, Net	\$27,738,264	(\$302,263)	(\$149,724)	\$27,286,277

For governmental activities, depreciation expense was charged to functions as follows:

Governmental Activities	Amount
<i>General Government:</i>	
Legislative and Executive	\$23,024
Judicial	30,933
Public Safety	105,179
Public Works	2,103,274
Health	187,153
Human Services	40,314
Governmental Activities Depreciation Expense	\$2,489,877

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - CAPITAL ASSETS (Continued)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Business-Type Activities				
<i>Nondepreciable Capital Assets:</i>				
Construction in Progress	\$174,333	0	0	\$174,333
Total Nondepreciable Capital Assets	<u>174,333</u>	<u>0</u>	<u>0</u>	<u>174,333</u>
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	611,128	0	0	611,128
Vehicles	<u>22,000</u>	<u>0</u>	<u>0</u>	<u>22,000</u>
Total Depreciable Capital Assets	633,128	0	0	633,128
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(450,707)	(15,278)	0	(465,985)
Vehicles	<u>(4,125)</u>	<u>(2,750)</u>	<u>0</u>	<u>(6,875)</u>
Total Accumulated Depreciation	<u>(454,832)</u>	<u>(18,028)</u>	<u>0</u>	<u>(472,860)</u>
Total Net Depreciable Capital Assets	<u>178,296</u>	<u>(18,028)</u>	<u>0</u>	<u>160,268</u>
Total Net Capital Assets	<u><u>\$352,629</u></u>	<u><u>(\$18,028)</u></u>	<u><u>\$0</u></u>	<u><u>\$334,601</u></u>

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the County contracted with County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool for insurance coverage. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

	<u>Aggregate</u>	<u>Each Occurance</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	1,000,000	0
Property	41,148,114	2,500
Equipment Breakdown	100,000,000	2,500
Crime Coverage	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Uninsured/Under Insured Motorists	250,000	2,500

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 12 - RISK MANAGEMENT (Continued)

The County has established a limited risk health, dental, and vision insurance program for Engineer's Department employees. Business Administrators and Consultants, Inc. (BAC) serviced all claims submitted by employees of the Engineer's Department. Excess coverage insurance policies covered individual claims in excess of \$35,000 for BAC. All other County employees have coverage through The Health Plan.

Self Insurance

The County Highway Department is self-insured for health care. The Auto License and Gas Fund pays covered claims to service providers, and recovers these costs from charges to highway employees. A comparison of Auto License and Gas Fund cash and investments to the actuarially-measured liability as of December 31, 2021 follows:

	2021
Cash and Investments	\$45,012
Actuarial Liabilities	275,071

Premiums are based on the insureds claim experience. Changes in the claim liability in 2021 are:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2021	\$111,585	\$1,433,815	\$1,270,329	\$275,071
2020	148,268	699,146	735,829	111,585

For 2021, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

A. Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, who are not certified teachers with the school for developmental disabilities, 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information):

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.0% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.0%.

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

	2021	
	State and Local	Law Enforcement
Statutory Maximum Contribution Rates		
Employer	14.0%	18.1%
Employee*	10.0%	**
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 2.0% greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required pension contributions to OPERS were \$1,379,695 for 2021. Of this amount, \$133,562 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 for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS
<i>Proportion of the Net Pension Liability:</i>	
Current Measurement Date	0.06387600%
Prior Measurement Date	0.06342900%
Change in Proportionate Share	0.00044700%
Proportionate Share of the Net Pension Liability	\$9,458,645
Pension Expense	\$297,833

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in Proportion and Differences between	
Contributions and Proportionate Share of Contributions	\$84,811
Contributions Subsequent to the Measurement Date	1,379,695
Total Deferred Outflows of Resources	\$1,464,506
 Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$395,640
Net Difference between Projected and Actual Earning on Pension Plan Investments	3,686,701
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	28,560
Total Deferred Inflows of Resources	\$4,110,901

\$1,379,695 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date but before the end of the County's reporting period, will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2022	(\$1,528,303)
2023	(491,854)
2024	(1,503,121)
2025	(502,812)
	(\$4,026,090)

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, 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, 2020, are presented below.

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
<i>COLA or Ad Hoc COLA:</i>	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period 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 2020, OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of 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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 17.2 percent for 2020.

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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2%. 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. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20%, 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 (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	\$18,042,415	\$9,458,645	\$2,321,254

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, 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 <http://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 (CO). 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 was 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. 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, 2026 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53% of the 14.0% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14.0% 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% of the 14% member rate is deposited into the member's DC account and the remaining 2% 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 50 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 on or after July 1, 2013 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.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

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. For the year ended December 31, 2021, plan members were required to contribute 14.0% of their annual covered salary. The County was required to contribute 14.0%; the entire 14.0% was the portion used to fund pension obligations. The year 2021 contribution rates were equal to the statutory maximum rates.

The County’s contractually required pension contributions to STRS were \$52,736 for 2021. All of this amount has been contributed as of the end of the year.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	STRS
<i>Proportion of the Net Pension Liability:</i>	
Current Measurement Date	0.00303728%
Prior Measurement Date	0.00294596%
Change in Proportionate Share	0.00009132%
Proportionate Share of the Net Pension Liability	\$388,343
Pension Expense	(\$37,466)

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS
Deferred Outflows of Resources	
Differences between Expected and Actual Experience	\$11,998
Changes of Assumptions	107,734
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	52,323
Contributions Subsequent to the Measurement Date	27,239
Total Deferred Outflows of Resources	\$199,294
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$2,435
Net Difference between Projected and Actual Earnings on Pension Plan Investments	334,675
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	47,826
Total Deferred Inflows of Resources	\$384,936

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

\$27,239 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 in the measurement year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	STRS
2022	(\$36,763)
2023	(50,920)
2024	(62,456)
2025	(62,742)
	(\$212,881)

Actuarial Assumptions - STRS

The total pension liabilities in the June 30, 2021 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Discount Rate of Return	7.00%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equities	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%	5.95%

* 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 Ohio's 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 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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 7.00%, 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 (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	\$727,221	\$388,343	\$101,992

Adjustment and Benefit Changes Since the Prior Measurement Date

The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

NOTE 14 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the Statement of Net Position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the County’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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 OPEB are financed; however, the County does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

A. 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.

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0.0 percent during calendar year 2021. 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 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for 2021.

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, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

	OPERS
<i>Proportion of the Net OPEB Liability:</i>	
Current Measurement Date	0.06074200%
Prior Measurement Date	0.06016700%
Change in Proportionate Share	0.00057500%
Proportionate Share of the Net OPEB Liability/(Asset)	(\$1,082,167)
OPEB Expense (Gain)	(\$6,504,539)

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes of Assumptions	\$532,008
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	50,308
Total Deferred Outflows of Resources	\$582,316
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$976,651
Net Difference between Projected and Actual Earnings on Pension Plan Investments	576,377
Changes of Assumptions	1,753,435
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	20,245
Total Deferred Inflows of Resources	\$3,326,708

No amounts 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 in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2022	(\$1,437,304)
2023	(988,703)
2024	(250,470)
2025	(67,915)
	(\$2,744,392)

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement Date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.00 percent
Health Care Cost Trend Rate	8.5 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age

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

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

The long-term 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.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

During 2020, 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 19.70 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The 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. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long Term Expected Real Rate of Return
Fixed Income	34.00 %	1.07 %
Domestic Equity	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate

A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 2.00 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

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

The following table presents the County’s proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 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 (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
County's Proportionate Share of the Net OPEB Asset	(\$269,087)	(\$1,082,167)	(\$1,750,584)

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 2021 is 10.5 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 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's Proportionate Share of the Net OPEB Asset	(\$1,108,542)	(\$1,082,167)	(\$1,052,659)

Changes since prior Measurement Date and to Report Date

On January 15, 2020, the County approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

B. 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. Nearly all health care plan enrollees, for the most recent year, 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 fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an 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:

	STRS
<i>Proportion of the Net OPEB Liability:</i>	
Current Measurement Date	0.00303728%
Prior Measurement Date	0.00294596%
Change in Proportionate Share	0.00009132%
Proportionate Share of the Net OPEB Liability/(Asset)	(\$64,038)
OPEB Expense (Gain)	(\$1,364)

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS
Deferred Outflows of Resources	
Differences between Expected and Actual Experience	\$2,281
Changes of Assumptions	4,091
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	11,491
Total Deferred Outflows of Resources	\$17,863
 Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$11,731
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	17,750
Changes of Assumptions	38,202
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	2,793
Total Deferred Inflows of Resources	\$70,476

No amounts 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 in the measurement year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	STRS
Fiscal Year Ending June 30:	
2022	(\$14,378)
2023	(13,931)
2024	(16,141)
2025	(6,866)
2026	(1,363)
Thereafter	66
	(\$52,613)

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, 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	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Payroll Increases	3.00 percent	
Cost-of-Living Adjustments (COLA)	0.0 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	(16.18%)	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	29.98%	4.00%

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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
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	 <u>100.00 %</u>	

* 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 actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was used to measure the total OPEB liability as of June 30, 2021.

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

The following table represents the net OPEB liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 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 (6.00 percent) or one percentage point higher (8.00 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.

	Current		
	<u>1% Decrease</u>	<u>Discount</u>	<u>Increase</u>
County's Proportionate Share of the Net OPEB Asset	(\$54,039)	(\$64,038)	(\$72,392)
	Current		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
County's Proportionate Share of the Net OPEB Asset	(\$72,053)	(\$64,038)	(\$54,127)

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – DEFINED BENEFIT OPEB PLANS (Continued)

Benefit Term Changes Since the Prior Measurement Date

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy percentages was updated to reflect it is expected to be negative in calendar year 2022. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Assumption Changes Since the Prior Measurement Date

The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

NOTE 15 - DEBT OBLIGATIONS

The County's long-term obligations activity for the year ended December 31, 2021 was as follows:

	Outstanding			Outstanding		Amount Due In One Year
	January 1, 2021	Additions	Deletions	December 31, 2021		
<i>Governmental Activities:</i>						
<i>Loans Payable:</i>						
Animal Shelter 2015-2024 3.45%	\$146,115	\$0	\$27,749	\$118,366	\$28,721	
Med Flight 2015-2031 3.45%	368,667	0	30,516	338,151	31,586	
OPWC - Paving 2020-2031 0.00%	73,203	0	7,320	65,883	7,320	
Sheriff Vehicles 2021-2031 2.97%	0	210,431	0	210,431	50,379	
<i>Other Long-Term Obligations:</i>						
Compensated Absences	992,932	556,640	422,760	1,126,812	728,477	
Capital Leases	342,589	0	143,272	199,317	98,670	
<i>Net Pension Liability:</i>						
OPERS	12,396,756	0	3,047,831	9,348,925	0	
STRS	712,817	0	324,474	388,343	0	
Total Net Pension Liability	<u>13,109,573</u>	<u>0</u>	<u>3,372,305</u>	<u>9,737,268</u>	<u>0</u>	
<i>Net OPEB Liability:</i>						
OPERS	8,217,547	0	8,217,547	0	0	
Total Net OPEB Liability	<u>8,217,547</u>	<u>0</u>	<u>8,217,547</u>	<u>0</u>	<u>0</u>	
Governmental Activities Long-Term Obligations	<u>\$23,250,626</u>	<u>\$767,071</u>	<u>\$12,221,469</u>	<u>\$11,796,228</u>	<u>\$945,153</u>	

The County received a loan in 2015 in the amount of \$250,000 for construction of an animal shelter. As of December 31, 2015, the entire amount has been drawn. Monies from the Debt Service Fund are being used to repay this debt.

The County received a loan in 2015 in the amount of \$500,000 for the construction of a Med Flight building. As of December 31, 2016, the entire amount had been drawn. Monies from the Debt Service Fund are being used to repay this debt.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 15 - DEBT OBLIGATIONS (Continued)

The County received an OPWC Loan in 2020 in the amount of \$73,203 for a county road paving project. Monies from the Debt Service Fund are being used to repay this debt.

The County received a Loan in 2021 in the amount of \$210,431 for the purchase of vehicles for the Sheriff's Department. Monies from the Debt Service Fund will be used to repay this debt.

	Outstanding at January 1, 2021	Additions	Deletions	Outstanding at December 31, 2021	Amount Due in One Year
<i><u>Business-Type Activities:</u></i>					
<i>Loans Payable:</i>					
Rural Hardship EPA 2002-2022 0.00%	\$3,900	\$0	\$2,925	\$975	\$975
USDA - Sewer 1.25%	0	261,510	0	261,510	0
OWDA - Rutland Sewer 9315 0.75%	0	2,275	0	2,275	0
OWDA - Rutland Sewer 2012-2044 1.00%	386,450	0	22,053	364,397	14,665
OWDA - Rutland Water Purchase 2013-2044 1.00	26,147	0	1,492	24,655	997
<i>Other Long-Term Obligations:</i>					
Compensated Absences	14,507	7,095	4,627	16,975	16,975
Net Pension Liability - OPERS	140,417	0	30,697	109,720	0
Net OPEB Liability - OPERS	93,079	0	93,079	0	0
Business-Type Activities					
Long-Term Obligations	<u>\$664,500</u>	<u>\$270,880</u>	<u>\$154,873</u>	<u>\$780,507</u>	<u>\$33,612</u>

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

In 2012, 2013, and 2014 the County issued an OWDA loan in the amount of \$478,291 to purchase the Rutland Sewer System. Monies from the Rutland Sewer Enterprise Fund are used to pay this debt.

The County issued an OWDA loan in 2013 in the amount of \$32,361 to purchase the Rutland Water System. This debt is being repaid through the Rutland Water Enterprise Fund.

At December 31, 2021, the County's overall legal debt margin was \$8,479,117 with an unvoted debt margin of \$4,364,506.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The annual requirements to amortize debt and interest outstanding as of December 31, 2021, are as follows:

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 15 - DEBT OBLIGATIONS (Continued)

	<u>Animal Shelter</u>		<u>Med Flight</u>		<u>OPWC Loan</u>		<u>Sheriff Vehicles</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$28,721	\$3,632	\$31,586	\$11,169	\$7,320	0	\$50,379	6,250
2023	29,728	2,625	32,693	10,062	7,320	0	51,876	4,754
2024	30,765	1,588	33,813	8,942	7,320	0	53,416	3,213
2025	29,152	505	35,024	7,731	7,320	0	54,760	1,626
2026	0	0	36,252	6,503	7,320	0	0	0
2027-2031	0	0	168,783	12,925	29,283	0	0	0
Total	<u>\$118,366</u>	<u>\$8,350</u>	<u>\$338,151</u>	<u>\$57,332</u>	<u>\$65,883</u>	<u>\$0</u>	<u>\$210,431</u>	<u>\$15,843</u>

	<u>Rural Hardship</u>		<u>OWDA Rutland Water</u>			
	<u>EPA Loan</u>		<u>OWDA Rutland Sewer</u>		<u>Purchase</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$975	0	\$14,885	\$3,607	\$1,007	244
2023	0	0	15,036	3,458	1,017	234
2024	0	0	15,186	3,307	1,028	223
2025	0	0	15,339	3,155	1,038	213
2026	0	0	15,491	3,001	1,048	203
2027-2031	0	0	79,832	12,643	5,401	854
2032-2036	0	0	83,904	8,561	5,677	578
2037-2041	0	0	88,197	4,270	5,967	288
2042-2046	0	0	36,527	458	2,472	30
Total	<u>\$975</u>	<u>\$0</u>	<u>\$364,397</u>	<u>\$42,460</u>	<u>\$24,655</u>	<u>\$2,867</u>

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The County has entered into agreements to lease equipment and other assets. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the basic financial statements. New leases are, in substance, capital purchases and are recorded as current expenditures and proceeds from capital leases on the fund financial statements. The capital lease obligations reflected above as part of the long-term obligations represent the present value of the net future minimum lease payments on all capital leases.

The following is a schedule of the future minimum lease payments under lease obligations which have been capitalized as of December 31, 2021.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

For the Year Ended December 31, 2021	Capital Lease Obligations
2022	\$105,177
2023	99,734
2024	4,184
Total Minimum Lease Payments	209,095
Less: Amount Representing Interest	9,778
Present Value of Minimum Lease Payments	\$199,317

NOTE 17 - INTERFUND ACTIVITY

Interfund balances at December 31, 2021, consist of the following receivables and payables:

	Interfund Receivables	Interfund Payables
General	\$1,776,259	\$405
Job and Family Services	179,594	36,951
Nonmajor Special Revenue Funds	0	1,446,721
Rutland Sewer	0	267,544
Nonmajor Enterprise Funds	0	204,232
Totals	\$1,955,853	\$1,955,853

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers for 2021 were as follows:

	Transfers In	Transfers Out
<i>Major Funds:</i>		
General Fund	\$0	\$186,968
Job and Family Services	19,264	0
MCBDD Fund	0	0
<i>Non-Major Funds:</i>		
Other Governmental Funds	167,704	0
Total All Funds	\$186,968	\$186,968

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the General Fund were made to subsidize programs and retire debt.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 18 - FUND BALANCES

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

	General	MCBDD	Job and Family Services	Auto License and Gas	Emergency Medical Services	All Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>							
Materials & Supplies Inventory	\$7,854	\$5,654	\$9,786	\$21,252	\$3,762	\$0	\$48,308
Prepaid Items	47,173	13,357	33,949	15,791	18,732	48,825	177,827
Unclaimed Monies	226,540	0	0	0	0	0	226,540
Total Nonspendable	281,567	19,011	43,735	37,043	22,494	48,825	452,675
<i>Restricted:</i>							
Real Estate Assessment	0	0	0	0	0	780,240	780,240
Legislative and Executive	0	0	0	0	0	97,037	97,037
Law Enforcement	0	0	0	0	0	613,031	613,031
Public Safety	0	0	0	0	0	133,456	133,456
Public Works	0	0	0	0	0	74,679	74,679
Court Services	0	0	0	0	0	1,295,191	1,295,191
Human Services	0	0	0	0	0	248,864	248,864
Children Services	0	0	0	0	0	769,762	769,762
Child Support Enforcement	0	0	0	0	0	473,310	473,310
Community Development	0	0	0	0	0	109,149	109,149
Board of DD	0	2,480,884	0	0	0	0	2,480,884
Job and Family Services	0	0	112,949	0	0	0	112,949
Auto License and Gas	0	0	0	4,302,673	0	0	4,302,673
Emergency Medical Services	0	0	0	0	1,801,956	0	1,801,956
Other Federal and State Program	0	0	0	0	0	65,570	65,570
Debt Service	0	0	0	0	0	10,124	10,124
Capital Projects	0	0	0	0	0	211,391	211,391
Total Restricted	0	2,480,884	112,949	4,302,673	1,801,956	4,881,804	13,580,266
<i>Committed:</i>							
Medicaid Sales Tax Transition	2,220,028	0	0	0	0	0	2,220,028
Total Committed	2,220,028	0	0	0	0	0	2,220,028
<i>Assigned:</i>							
Certificate of Title	388,248	0	0	0	0	0	388,248
County Recorder Equipment	11,479	0	0	0	0	0	11,479
Total Assigned	399,727	0	0	0	0	0	399,727
<i>Unassigned</i>	2,766,022	0	0	0	0	(1,180,801)	1,585,221
Total Fund Balances	5,667,344	2,499,895	156,684	4,339,716	1,824,450	3,749,828	18,237,917

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

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

The ADAMH Board is a jointly governed organization. Participants are Gallia, Jackson and Meigs counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund, and evaluate the services provided. The Board is managed by fourteen members. Board members are appointed by the Board's Director and the legislative authorities as well as citizens of the Board. Those subdivisions are Gallia, Jackson, and Meigs Counties. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriation, contracting, and management.

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2021, the County made no contributions to the Board.

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

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

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

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

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Gallia-Meigs Community Action Agency

The Gallia-Meigs Community Action Agency is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Gallia and Meigs counties. The agency is governed by an eighteen-member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. The Gallia County Commissioners apply for the Community Housing Improvement Program Grant and the HOME Grant which are administered and implemented by the Community Action Agency. The County is the fiscal agent of the grant, but the grants are used by the Community Action Agency to improve low income family housing in Gallia County. Community Action contracts for expenses that relate to the grants and then the County Commissioners issue the payments. The Board exercises total control of the budgeting, appropriation, contracting and management. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. In 2021, the County paid \$8,082 to the Agency for services provided to the County.

Buckeye Hills Regional Council

The Buckeye Hills Regional Council serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry 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 composed 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 has total control over budgeting, personnel, and all other financial matters. The Council administers grant monies. During 2021, the Council received \$3,803 in administrative fees from Meigs County. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

Meigs County Park District

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

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Meigs County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2021, the County had no funds on hand with the

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Council. Financial statements can be obtained from the Council at 17273 St. Rt. 104, Building 8, Chillicothe, Ohio 45601.

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 Athens, Belmont, Hocking, Meigs, Monroe, 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 budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Executive Council. During 2021, the Council received \$0 in administrative fees from Meigs County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

NOTE 20 - RELATED ORGANIZATIONS

Meigs County District Public Library

The Meigs County District Public Library is statutorily created as a separate and distinct political subdivision of the State. Four trustees of the Library are appointed by the County Commissioners, and three trustees are appointed by the judges of the Common Pleas Court. Due process is required to remove board members. The County provides no contributions of its own to the library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend upon the County for operational subsidies.

Meigs County Metropolitan Housing Authority

The Meigs County Metropolitan Housing Authority is a political subdivision of the State of Ohio, created under Section 3735.01 of the Ohio Revised Code for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The Authority is operated by a five member board. Two board members are appointed by the Village of Pomeroy, one member is appointed by the Probate Court Judge, one member is appointed by the Common Pleas Court Judge, and one member is appointed by the County Commissioners. The Authority receives funding from the U.S. Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in its management or operation. The County is not financially accountable for the Authority.

NOTE 21 - PUBLIC ENTITY SHARED RISK POOL

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and

NOTE 21 - PUBLIC ENTITY SHARED RISK POOL (Continued)

functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

NOTE 22 – CONTINGENCIES

Grants

The County received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the County at December 31, 2021, if applicable, cannot be determined at this time.

Litigation

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

NOTE 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2021 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2022, passed by Congress on December 21, 2021, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 24 – SUBSEQUENT EVENT

On July 7, 2022, the Board of Commissioners approved a contract with Shelly Company for the 2022 County Paving Project parts 1,2 and 3 based on their bid on \$1,491,054 .

NOTE 25 – SPECIAL INVESTIGATION

The Auditor of State Special Investigation Unit is conducting a special investigation. As of the date of this report, the investigation is ongoing. The results of the investigation will be reported on at a later date.

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

	2021	2020	2019	2018
<i><u>Pension</u></i>				
County's Proportion of the Net Pension Liability	0.063876%	0.063429%	0.064056%	0.062220%
County's Proportionate Share of the Net Pension Liability	\$9,458,645	\$12,537,172	\$17,543,640	\$9,761,112
County Covered Payroll	\$9,075,420	\$8,741,503	\$6,786,325	\$8,814,064
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.22%	143.42%	258.51%	110.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%
<i><u>OPEB</u></i>				
County's Proportion of the Net OPEB Liability	0.06074200%	0.06016700%	0.06082300%	0.05916000%
County's Proportionate Share of the Net OPEB Asset	\$1,082,167	\$0	\$0	\$0
County's Proportionate Share of the Net OPEB Liability	\$0	\$8,310,626	\$7,929,883	\$6,424,342
County Covered Payroll	\$9,075,420	\$8,741,503	\$6,786,325	\$8,814,064
County's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	(11.92%)	95.07%	116.85%	72.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available for pension and information prior to 2017 is not available for OPEB. An additional column will be added each year. Amounts presented as of the County's measurement date which is the prior year.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.062205%	0.061975%	0.061588%	0.061588%
\$14,125,698	\$10,734,851	\$7,428,201	\$7,260,423
\$7,872,082	\$8,346,781	\$7,782,781	\$7,265,447
179.44%	128.61%	95.44%	99.93%
77.25%	81.08%	86.45%	86.36%
0.05930690%	NA	NA	NA
\$0	NA	NA	NA
\$5,990,198	NA	NA	NA
\$7,872,082	NA	NA	NA
76.09%	NA	NA	NA
54.05%	NA	NA	NA

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

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
<u>Pension</u>				
County's Proportion of the Net Pension Liability	0.00303728%	0.00294596%	0.00335014%	0.00314091%
County's Proportionate Share of the Net Pension Liability	\$388,343	\$712,817	\$740,863	\$690,616
County Covered Payroll	\$376,686	\$353,807	\$378,386	\$378,207
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.09%	201.47%	195.80%	182.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%
<u>OPEB</u>				
County's Proportion of the Net OPEB Liability	0.00303728%	0.00294596%	0.00335014%	0.00314091%
County's Proportionate Share of the Net OPEB Asset	\$64,038	\$51,775	\$55,486	\$50,471
County's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$0	\$0
County Covered Payroll	\$376,686	\$353,807	\$378,386	\$378,207
County's Proportionate Share of the Net OPEB (Asset)Liability as a Percentage of its Covered Payroll	(17.00%)	(14.63%)	(14.66%)	(13.34%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.73%	182.13%	174.74%	176.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available for pension and information prior to 2017 is not available for OPEB. An additional column will be added each year.

Amounts presented as of the County's measurement date which is the prior year.
See accompanying notes to the required supplementary information.

Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
0.00249865%	0.00293749%	0.00262007%	0.00260077%	0.00260077%
\$593,560	\$983,266	\$724,272	\$632,597	\$753,546
\$321,317	\$242,347	\$275,322	\$286,497	\$238,732
184.73%	405.73%	263.06%	220.80%	315.65%
75.30%	72.09%	74.71%	69.30%	69.30%
0.00249865%	NA	NA	NA	NA
\$0	NA	NA	NA	NA
\$97,488	NA	NA	NA	NA
\$321,317	NA	NA	NA	NA
30.34%	NA	NA	NA	NA
47.11%	NA	NA	NA	NA

Meigs County, Ohio
Required Supplementary Information
Schedule of County Pension Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Nine Years

	2021	2020	2019	2018
<i><u>OPERS - Law Enforcement</u></i>				
Contractually Required Contribution	\$120,405	\$120,816	\$135,329	\$70,451
Contributions in Relation to the Contractually Required Contribution	<u>(120,405)</u>	<u>(120,816)</u>	<u>(135,329)</u>	<u>(70,451)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$665,221	\$667,492	\$747,674	\$389,232
Contributions as a Percentage of Covered Payroll	18.10%	18.10%	18.10%	18.10%
<i><u>OPERS - All Others</u></i>				
Contractually Required Contribution	\$1,259,290	\$1,177,110	\$1,119,136	\$895,593
Contributions in Relation to the Contractually Required Contribution	<u>(1,259,290)</u>	<u>(1,177,110)</u>	<u>(1,119,136)</u>	<u>(895,593)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$8,994,929	\$8,407,928	\$7,993,829	\$6,397,093
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available for pension.

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$165,055	\$143,694	\$138,388	\$120,146	\$112,025
<u>(165,055)</u>	<u>(143,694)</u>	<u>(138,388)</u>	<u>(120,146)</u>	<u>(112,025)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$965,236	\$892,511	\$859,551	\$746,250	\$655,117
17.10%	16.10%	16.10%	16.10%	17.10%
\$1,020,348	\$837,550	\$898,468	\$844,384	\$859,343
<u>(1,020,348)</u>	<u>(837,550)</u>	<u>(898,468)</u>	<u>(844,384)</u>	<u>(859,343)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,848,828	\$6,979,581	\$7,487,230	\$7,036,531	\$6,610,330
13.00%	12.00%	12.00%	12.00%	13.00%

Meigs County, Ohio
Required Supplementary Information
Schedule of County OPEB Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Six Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i><u>OPERS - Law Enforcement</u></i>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$665,221	\$667,492	\$747,674	\$389,232
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
<i><u>OPERS - All Others</u></i>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$8,994,929	\$8,407,928	\$7,993,829	\$6,397,093
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

1) 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.

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>
\$9,652	\$17,850
<u>(9,652)</u>	<u>(17,850)</u>
<u>\$0</u>	<u>\$0</u>
\$965,236	\$892,511
1.00%	2.00%
\$78,488	\$139,592
<u>(78,488)</u>	<u>(139,592)</u>
<u>\$0</u>	<u>\$0</u>
\$7,848,828	\$6,979,581
1.00%	2.00%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i><u>Pension</u></i>				
Contractually Required Contribution	\$52,736	\$49,533	\$52,974	\$52,949
Contributions in Relation to the Contractually Required Contribution	<u>(52,736)</u>	<u>(49,533)</u>	<u>(52,974)</u>	<u>(52,949)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
County Covered Payroll	\$376,686	\$353,807	\$378,386	\$378,207
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<i><u>OPEB</u></i>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
County Covered Payroll	\$376,686	\$353,807	\$378,386	\$378,207
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$44,984	\$33,929	\$38,545	\$37,245	\$31,035	\$33,752
<u>(44,984)</u>	<u>(33,929)</u>	<u>(38,545)</u>	<u>(37,245)</u>	<u>(31,035)</u>	<u>(33,752)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$321,317	\$242,347	\$275,322	\$286,497	\$238,732	\$259,632
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
\$0	\$0	\$0	\$2,865	\$2,387	\$2,596
<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,865)</u>	<u>(2,387)</u>	<u>(2,596)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$321,317	\$242,347	\$275,322	\$286,497	\$238,732	\$259,632
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

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MEIGS COUNTY
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2021

NOTE 1 - DEFINED BENEFIT PENSION PLANS

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 prior years are presented below:

	2019	2018 and 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	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

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 male mortality rates were used set forward two years. For females, 100 percent of the disabled male mortality rates were used.

MEIGS COUNTY
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2021

NOTE 1 - DEFINED BENEFIT PENSION PLANS – (Continued)

Changes in Assumptions – OPERS Pension – Combined Plan

For 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional 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 2021, the investment rate of return was decreased from 7.45 percent to 7.00 percent.

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.

MEIGS COUNTY
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2021

NOTE 2 – DEFINED BENEFIT OPEB PLANS

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – STRS OPEB

For 2021, the discount rate was decreased from 7.45 percent to 7.00 percent.

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 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For 2020, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

MEIGS COUNTY
Notes to the Required Supplementary Information
For the Fiscal Year Ended December 31, 2021

NOTE 2 – DEFINED BENEFIT OPEB PLANS – (Continued)

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.

MEIGS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
National School Lunch Program- Noncash Assistance (Food Distribution)	10.555	2021	\$0	\$1,788
School Breakfast Program	10.553	2021	0	11,052
National School Lunch Program	10.555	2021	0	17,353
Covid-19: National School Lunch Program	10.555	2021	0	3,195
Total Child Nutrition Cluster			0	33,388
<i>Passed Through Ohio Department of Job and Family Services</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5963	0	129,829
		G-2223-11-6962	0	67,848
COVID-19: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5963	0	26,872
Total SNAP Cluster			0	224,549
<i>Direct from Federal Government</i>				
Water and Water Disposal Systems for Rural Communities	10.760	N/A	0	264,270
Total U.S. Department of Agriculture			0	522,207
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Development Services Agency</i>				
Community Development Block Grants - State's Program	14.228	B-F-20-1BW-1	0	1,000
Total U.S. Department of Housing and Urban Development			0	1,000
U.S. DEPARTMENT OF INTERIOR				
<i>Passed Through Ohio Department of Natural Resources</i>				
Payments in Lieu of Taxes	15.226	N/A	0	482
Total U.S. Department of Interior			0	482
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through Ohio Department of Public Safety</i>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-CE-CTF-2318	0	11,050
<i>Passed Through Ohio Attorney General's Office</i>				
Crime Victim Assistance	16.575	2022-VOCA-134714614	0	4,638
		2021-VOCA-134143399	0	24,480
		2022-VOCA-134714581	0	6,394
		2021-VOCA-133926190	0	21,702
Total Crime Victim Assistance			0	57,214
Total U.S. Department of Justice			0	68,264
U.S. DEPARTMENT OF LABOR				
<i>Passed through Ohio Department of Job and Family Services</i>				
Unemployment Insurance	17.225	G-2021-15-0019	0	12,809
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	G-1819-15-0206/G-2021-15-0019	0	128,092
WIOA Youth Activities	17.259	G-1819-15-0206/G-2021-15-0019	0	72,466
WIOA Dislocated Workers Formula Grant	17.278	G-1819-15-0206/G-2021-15-0019	0	116,039
Total Workforce Innovation and Opportunity Act (WIOA) Cluster:			0	316,597
WIOA National Dislocated Workers Grants	17.277	G-1819-15-0206/G-2021-15-0019	0	41,284
Apprenticeship USA Grants	17.285	G-2021-15-0019	0	4,694
Total U.S. Department of Labor			0	375,384
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration				
<i>Passed Through Ohio Department of Transportation</i>				
COVID-19: Formula Grants for Rural Areas	20.509	CARES-0282-024-210	0	100,339
Total U.S. Department of Transportation			0	100,339

MEIGS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
<i>Passed through Ohio Office of Management and Budget</i>				
COVID-19: Coronavirus Relief Fund	21.019	N/A	0	165,882
<i>Passed Through Ohio Department of Education</i>				
COVID-19 Coronavirus Relief Fund	21.019	2021	0	3,107
Total COVID-19 Coronavirus Relief Fund			0	168,989
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	20,000
Total U.S. Department of Treasury			0	188,989
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Special Education Cluster:				
Special Education - Grants to States	84.027A	2021	0	19,176
Special Education - Grants to States	84.027A	2020	0	411
Special Education - Preschool Grants	84.173A	2021	0	5,617
Special Education - Preschool Grants	84.173A	2020	0	919
Total Special Education Cluster			0	26,123
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Special Education - Grants for Infants and Families	84.181	N/A	0	12,506
<i>Passed Through Ohio Department of Education</i>				
COVID-19 : Education Stabilization Fund	84.425C	N/A	0	20,023
Total U.S. Department of Education			0	58,652
U.S. ELECTION ASSISTANCE COMMISSION				
<i>Passed Through Ohio Secretary of State</i>				
Help America Vote Act (HAVA) Election Security Grants	90.404	2020-12	0	35,075
Total U.S. Election Assistance Commission			0	35,075
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Job and Family Services</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	G-2021-11-5963	0	3,914
Promoting Safe and Stable Families	93.556	G-2021-11-5963	0	13,778
		G-2223-11-6962	0	13,273
		5-AU-19-C0053/5AU-20-C0053	0	20,769
Total Promoting Safe and Stable Families			0	47,820
Temporary Assistance for Needy Families (477 Cluster)				
Temporary Assistance for Needy Families	93.558	G-2021-11-5963	44,581	1,182,877
		G-2223-11-6962	0	58,530
		G-2021-11-5963	0	1,439
COVID-19: Temporary Assistance for Needy Families		G-2021-11-5963	0	95,081
Total Temporary Assistance for Needy Families (477 Cluster)			44,581	1,337,927
Child Support Enforcement	93.563	G-2021-11-5963	0	206,821
		G-2223-11-6962	0	84,374
Total Child Support Enforcement			0	291,195
Child Care and Development Block Grant- CCDF Cluster	93.575	G-2021-11-5963	0	15,308
		G-2223-11-6962	0	25,349
Total Child Care and Development Block Grant- CCDF Cluster			0	40,657
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5963	0	29,147
		G-2223-11-6962	0	24,399
		5AU-20-C0053	0	2,567
Total Stephanie Tubbs Jones Child Welfare Services Program			0	56,113
Foster Care - Title IV-E	93.658	G-2021-11-5963	0	72,840
		G-2223-11-6962	0	39,542
Total Foster Care - Title IV-E			0	112,382
Adoption Assistance	93.659	G-2021-11-5963	0	26,237
		G-2223-11-6962	0	12,404
Total Adoption Assistance			0	38,641

MEIGS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	2021	0	10,858
<i>Passed Through Ohio Department of Job and Family Services</i>				
Social Services Block Grant	93.667	G-2021-11-5963	40,101	478,675
		G-2223-11-6962	8,414	171,377
Total Social Services Block Grant			<u>48,515</u>	<u>660,910</u>
COVID-19: John H. Chafee Foster Care Program for Successful Transition to Adulthoc	93.674	G-2021-11-5963	0	20,746
COVID-19: Elder Abuse Prevention Intervention Program	93.747	G-2021-11-5963	0	24,538
Children's Health Insurance Program	93.767	G-2021-11-5963	0	5,367
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2021-11-5963	0	296,653
		G-2223-11-6962	0	158,626
Total Medicaid Cluster			<u>0</u>	<u>455,279</u>
Total U.S. Department of Health and Human Services			93,096	3,095,489
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency</i>				
Disaster Grants - Public Assistance	97.036	FEMA-DR-4424-OH	0	74,679
Emergency Management Performance Grant	97.042	EMC-2021-EP-00002	0	29,795
Emergency Management Performance Grant		EMC-2020-EP-00004	0	13,257
COVID-19 Emergency Management Performance Grant		EMC-2020-EP-00014	0	1,544
Total Emergency Management Performance Grant			<u>0</u>	<u>44,596</u>
Total U.S. Department of Homeland Security			0	119,275
Total Schedule of Expenditures of Federal Awards			<u>\$93,096</u>	<u>\$4,565,156</u>

The accompanying notes are an integral part of this Schedule.

MEIGS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Meigs County, Ohio (the County) under programs of the federal government for the year ended December 31, 2021. 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 Ohio Department of Job and Family 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 pass-through entity, 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 - CHILD NUTRITION CLUSTER

The County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the County assumes it expends federal monies first.

NOTE F – FOOD DONATION PROGRAM

The County reports commodities consumed on the Schedule at the fair value. The County allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE G - 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.

MEIGS COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

NOTE H - CORONAVIRUS RELIEF FUND

During 2021, the County opted to discontinue a project funded by Coronavirus Relief Fund monies. The 2020 Schedule included \$165,882 paid during 2020 relating to this project as the project was expected to continue to completion at that time. However, that amount was refunded to the County in 2021. As such, the 2020 Schedule was overstated by that amount in the Coronavirus Relief Fund, AL#21.019. The subsequent expenditures made from the refunded monies have been reported on the 2021 Schedule.

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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*

Meigs County
100 East 2nd Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 7, 2023. We qualified our opinion on Business Type Activities and Rutland Sewer Fund because the County did not adopt Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. In addition, we qualified our opinion on the Auto License and Gas Fund because management did not obtain a service organization controls report over the third-party administrator of its self-insurance program.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-005 through 2021-007 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2021-001 through 2021-004.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 7, 2023

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

Meigs County
100 East 2nd Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meigs County's, Ohio (County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Meigs County's major federal programs for the year ended December 31, 2021. Meigs County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Meigs County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The County's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 7, 2023

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MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(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)?	No
(d)(1)(vii)	Major Programs (list):	<ul style="list-style-type: none"> • Temporary Assistance for Needy Families, AL #93.558 • Social Services Block Grant, AL # 93.667
(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 2021-001

Noncompliance

Ohio Rev. Code § 323.25 provides that when taxes charged against an entry on the tax duplicate, or any part of those taxes, are not paid within sixty days after delivery of the delinquent land duplicate to the county treasurer as prescribed by section 5721.011 of the Revised Code, the county treasurer shall enforce the lien for the taxes by civil action in the treasurer's official capacity as treasurer, for the sale of such premises in the same way mortgage liens are enforced or for the transfer of such premises to an electing subdivision pursuant to section 323.28 or 323.78 of the Revised Code, in the court of common pleas of the county, in a municipal court with jurisdiction, or in the county board of revision with jurisdiction pursuant to section 323.66 of the Revised Code. Nothing in this section prohibits the treasurer from

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-001 (Continued)

Noncompliance - Ohio Rev. Code § 323.25 (Continued)

instituting such an action before the delinquent tax list or delinquent vacant land tax list that includes the premises has been published pursuant to division (B) of section 5721.03 of the Revised Code if the list is not published within the time prescribed by that division. After the civil action has been instituted, but before the expiration of the applicable redemption period, any person entitled to redeem the land may do so by tendering to the county treasurer an amount sufficient, as determined by the court or board of revision, to pay the taxes, assessments, penalties, interest, and charges then due and unpaid, and the costs incurred in the civil action, and by demonstrating that the property is in compliance with all applicable zoning regulations, land use restrictions, and building, health, and safety codes. If the delinquent land duplicate lists minerals or rights to minerals listed pursuant to sections 5713.04, 5713.05, and 5713.06 of the Revised Code, the county treasurer may enforce the lien for taxes against such minerals or rights to minerals by civil action, in the treasurer's official capacity as treasurer, in the manner prescribed by this section, or proceed as provided under section 5721.46 of the Revised Code. If service by publication is necessary, such publication shall be made once a week for three consecutive weeks instead of as provided by the Rules of Civil Procedure, and the service shall be complete at the expiration of three weeks after the date of the first publication. If the prosecuting attorney determines that service upon a defendant may be obtained ultimately only by publication, the prosecuting attorney may cause service to be made simultaneously by certified mail, return receipt requested, ordinary mail, and publication. The county treasurer shall not enforce the lien for taxes against real property to which any of the following applies:

- (A) The real property is the subject of an application for exemption from taxation under section 5715.27 of the Revised Code and does not appear on the delinquent land duplicate;
- (B) The real property is the subject of a valid delinquent tax contract under section 323.31 of the Revised Code for which the county treasurer has not made certification to the county auditor that the delinquent tax contract has become void in accordance with that section;
- (C) A tax certificate respecting that property has been sold under section 5721.32 or 5721.33 of the Revised Code; provided, however, that nothing in this division shall prohibit the county treasurer or the county prosecuting attorney from enforcing the lien of the state and its political subdivisions for taxes against a certificate parcel with respect to any or all of such taxes that at the time of enforcement of such lien are not the subject of a tax certificate.

The County had a projected \$6,858,244 in delinquent property taxes on the books for which:

- no payment plan was established with the County Treasurer, and
- the delinquency was published in the local newspaper or certified delinquent in a prior year,
- but no further action was taken by the County to collect the delinquency.

This was an oversight by the County compounded by a breakdown in communication between the various County departments. The failure to follow established procedures resulted in significant unrealized delinquent property tax revenues.

The County should take necessary legal actions, as needed, to collect qualifying delinquent property taxes.

Official's Response: See Corrective Action Plan.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-002

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.

On December 31, 2021 the County's appropriations exceeded the amount certified as available by the budget commission in the Rutland Sewer Fund and Rutland Water Fund by \$84,128 and \$167,702, respectively, and also the General Fund by \$86,037. The Rutland Sewer Fund has been negative since it was obtained from the Village of Rutland. Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the County's compliance monitoring policies and procedures resulted in the following negative cash fund balances on December 31, 2021:

- E01 Rutland Sewer Fund -\$93,366
- E02 Rutland Water Fund -\$195,613

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.

Further, management should ensure money paid into a fund is used only for purposes for which such fund was established. The Commissioners should identify and implement procedures to eliminate negative fund balances

Official's Response: See Corrective Action Plan.

FINDING NUMBER 2021-003

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 County's Sewer and Water Fund had expenditures in excess of appropriations of \$18,972 and \$37,495, as of December 31, 2021, respectively.

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.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-003 (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.

Official's Response: See Corrective Action Plan.

FINDING NUMBER 2021-004

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the County can authorize the drawing of a warrant for the payment of the amount due. The County has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Board.
2. Blanket Certificate – The Auditor may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line-item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line-item appropriation.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-004 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

3. Super Blanket Certificate – The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Due to deficiencies in internal controls, 33% of the transactions tested were not certified by the County Auditor at the time the commitment was incurred, and there was no evidence the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Board's funds exceeding budgetary spending limitations, the County Auditor should certify the funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used.

Official's Response: See Corrective Action Plan.

FINDING NUMBER 2021-005

Material Weakness - Financial Reporting

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.

Further, Governmental Accounting Standards Board Statement No. 83-*Certain Asset Retirement Obligations* addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-005 (Continued)

Material Weakness - Financial Reporting (Continued)

The County failed to calculate or present the ARO liability and related deferral for its sewer system in the financial statements. In addition, the County's financial statements included several mispostings. As a result, the following adjustments were required:

- Certain accruals did not agree to underlying documentation in the Job and Family Services Fund resulting in a decrease in Intergovernmental Receivable of \$839,139, a decrease in Intergovernmental Revenues of \$1,454,323, a decrease in Unearned Revenue of \$311,615, an increase in Other Revenues of \$683,790 and a decrease in Cash and Cash Equivalents in Segregated Accounts of \$243,009. In addition, the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the Job and Family Services Fund did not agree to underlying approved amounts resulting in a decrease in Intergovernmental Revenues and Other Revenues of \$527,000 and \$150,000, respectively.
- Certain accruals were improperly calculated in Other Governmental Funds resulting in a decrease in Intergovernmental Receivable of \$297,978, a decrease in Intergovernmental Revenues of \$465,436, an increase in Unearned Revenue of \$107,114, and an increase in Unavailable Revenue of \$60,344.
- An accrual entry to the Auto License and Gas Fund was double posted resulting in a decrease in Intergovernmental Receivable and Intergovernmental Revenues of \$755,079.
- Property Taxes Receivable were not properly calculated/allocated resulting in the following adjustments:
 - General Fund- Property Taxes Receivable increased \$527,349, Unavailable Revenue-Delinquent Taxes increased \$145,023 and Property Taxes not Levied to Finance Current Year Operations increased \$382,326.
 - EMS Fund- Property Taxes Receivable increased \$214,920, Unavailable Revenue-Delinquent Taxes increased \$59,104 and Property Taxes not Levied to Finance Current Year Operations increased \$155,816.
 - Board of Developmental Disability Fund- Property Taxes Receivable increased \$453,555, Unavailable Revenue- Delinquent Taxes increased \$124,729 and Property Taxes not Levied to Finance Current Year Operations increased \$328,826.
 - Other Governmental Funds- Property Taxes Receivable increased \$133,143, Unavailable Revenue- Delinquent Taxes increased \$36,615 and Property Taxes not Levied to Finance Current Year Operations increased \$96,528.
- The interfund transactions within the Auto License and Gas Fund relating to self-insurance were not eliminated when combined for annual financial reporting resulting in a decrease in Intergovernmental Revenues and Public Works of \$1,106,240.
- The accrual relating to the grant funding in the American Recovery Plan Fund was improperly calculated resulting in a decrease in Intergovernmental Revenues and an increase in Unearned Revenue of \$2,181,708.
- Intergovernmental Receivable was improperly calculated in the Rutland Sewer Fund resulting in a decrease in Intergovernmental Receivable and Intergovernmental Nonoperating Revenues of \$274,059.
- Debt Proceeds were not properly posted in the Rutland Sewer Fund resulting in a decrease in Intergovernmental Nonoperating Revenues and increase in USDA Loans Payable of \$261,510.
- Contracts Payable were not properly posted in the Rutland Sewer Fund resulting in an increase in Contracts Payable and Contractual Services of \$246,032.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-005 (Continued)

Material Weakness - Financial Reporting (Continued)

In addition to the mispostings identified above, the County's Notes to the Basic Financial Statements also required material adjustment. These misstatements were caused by confusion over proper recording and insufficient management oversight. As a result, significant adjustments with which the County's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County Auditor should review revenues and expenditures periodically and at year end to ensure amounts have been properly recorded. Further, the County should review the basic financial statements compiled by their contracted Independent Public Accounting firm prior to filing those statements in the Hinkle System.

Official's Response: See Corrective Action Plan.

FINDING NUMBER 2021-006

Material Weakness - Budgetary Amounts in the Accounting System

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 Commissioners to make informed decisions regarding budgetary matters.

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 approved Estimated Receipts/Certificate of Estimated Resources and/or amendments thereof were not posted to the accounting system or all properly maintained by the County. At December 31, 2021, estimated receipts posted to the system varied from the Estimated Revenue Worksheets and subsequent Amended Certificates of Estimated Resources in the General Fund by \$284,870, in the Job and Family Services Fund by \$677,000, and in the Auto License and Gas Fund by \$62,500.

Failure to accurately post the 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. The County should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

MEIGS COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2021

(Continued)

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

FINDING NUMBER 2021-006 (Continued)

Material Weakness - Budgetary Amounts in the Accounting System (Continued)

Official's Response: See Corrective Action Plan.

FINDING NUMBER 2021-007

Material Weakness - Service Organization Controls Report

Sound accounting practices require public officials to design and operate a system of internal control that is adequate to provide reasonable assurance over the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and safeguarding of assets against unauthorized acquisition, use or disposition.

The County has outsourced employees' health insurance claims processing relating to the Auto License and Gas Fund, which is a significant accounting function, to a third-party administrator. The County has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reasonably assure that health insurance claims have been authorized and completely and accurately processed in accordance with the contract. Attestation standard (AT-C 320) Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting, prescribes standards for reporting on service organizations. An unmodified Type 2 Report on Management's Description of a Service Organization's System and a Service Auditor's Report on that Description and on the Suitability of the Design and Operating Effectiveness of Controls in accordance with AT-C 320 should provide the Government with reasonable assurance that health insurance claim transactions conform to the contract. The most recent SOC 1 report for the third-party administrator covered the period through October 31, 2019. No SOC 1 report was available for the audit period.

Failing to ensure adequate controls are in place and operating effectively could result in errors occurring without detection.

The County should require a Type 2 SOC 1 report in its contract with the third-party administrator and should review the SOC 1 report timely. The report should follow the American Institute of Certified Public Accountants' Attestation Standards and be performed by a firm registered and in good standing with the Accountancy Board of the respective state. If the third-party administrator refuses to furnish the Government with a Type 2 SOC 1 report, the Government should contract with a third-party administrator that will provide this report

Official's Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding for Recovery for public monies illegally expended against Sheriff Wood for \$10,655.	Corrective Action Taken and Finding is Fully Corrected	The full amount was repaid July 12, 2022.
2020-002	Finding for Recovery for public monies illegally expended against Kay Hill for \$1,125.	Corrective Action Taken and Finding is Fully Corrected	The full amount was repaid on October 19, 2021.
2020-003	Finding for Adjustment related to Ohio Rev. Code § 325.071 issued against the Sheriff's Law Enforcement Trust Fund and in favor of the County's General Fund in the amount of \$7,074.	Corrective Action Taken and Finding is Fully Corrected	The Sheriff's Law Enforcement Trust Fund paid this adjustment to the County records in 2023.
2020-004	Material Noncompliance related to Ohio Rev. Code § 323.25 related to delinquent property taxes.	Not Corrected	The Treasurer is working diligently on the collection of delinquent taxes and is working with the Prosecutor on foreclosures.
2020-005	Material Noncompliance with Ohio Rev. Code § 5705.39 for appropriations exceeding the amount certified as available by the Budget Commission resulting in negative fund balances.	Not Corrected	Many of the negative funds are reimbursement grants. Amended certificates will be printed more often to closer watch the appropriations.
2020-006	Material Weakness relating to Budgetary Amounts in the Accounting System differing from approved amounts.	Not Corrected	We will ensure better communication with the commissioner's clerk including how things need to be worded in the minutes.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021
(Continued)

Finding Number	Finding Summary	Status	Additional Information
2020-007	Material Weakness relating to misstatements resulting in material audit adjustments.	Not Corrected	We will monitor more closely the postings of departments estimated revenues and actual receipts.



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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

Finding Number:	2021-001
Planned Corrective Action:	The Treasurer & Prosecutor working diligently on the collection of delinquent taxes and foreclosures.
Anticipated Completion Date:	12/31/23
Responsible Contact Person:	Tim Ihle & James Stanley

Finding Number:	2021-002
Planned Corrective Action:	The County is not in the place financially to cover the deficit by advances funds to cover the negative fund balance.
Anticipated Completion Date:	Now
Responsible Contact Person:	Mary Byer-Hill

Finding Number:	2021-003
Planned Corrective Action:	We are working on making the appropriate adjustments to become audit compliant.
Anticipated Completion Date:	2023
Responsible Contact Person:	Jimmy Will

Finding Number:	2021-004
Planned Corrective Action:	We will monitor more closely the use of purchase orders and then and now certificates.
Anticipated Completion Date:	Now
Responsible Contact Person:	Mary Byer-Hill

Finding Number:	2021-005
Planned Corrective Action:	We are diligently working with the departments with their estimated revenues and postings of funds.
Anticipated Completion Date:	12/31/23
Responsible Contact Person:	Mary Byer-Hill

Finding Number:	2021-006
Planned Corrective Action:	We will ensure completion of additional amended certificates to monitor the appropriations throughout the month.
Anticipated Completion Date:	Now
Responsible Contact Person:	Mary Byer-Hill

Finding Number:	2021-007
Planned Corrective Action:	We will require a Type 2 SOC1 audit from the insurance & review it.
Anticipated Completion Date:	12/31/23
Responsible Contact Person:	Camille Bolin

OHIO AUDITOR OF STATE KEITH FABER



MEIGS 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 3/21/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov