



Dave Yost · Auditor of State

ADAMS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Adams County
110 West Main Street
West Union, Ohio 45693

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Adams County, (the County) and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents as of and for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business- Type Activities	Adverse
Governmental Fund- General Fund	Unmodified
Governmental Fund- Ambulance and EMS	Unmodified
Governmental Fund- Board of Developmental Disabilities	Unmodified
Governmental Fund- Job and Family Services	Unmodified
Governmental Fund- Motor Vehicle and Gas Tax	Unmodified
Governmental Funds- Real Estate Assessment	Unmodified
Enterprise Fund- Adams County Hospital	Adverse
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinions on Business Type Activities and Enterprise Fund- Adams County Hospital

Management has not included the Adams County Hospital in the County's financial statements as Business- Type Activities or as an enterprise fund. Accounting principles generally accepted in the United States of America require the Adams County Hospital to be presented as a major enterprise fund and financial information to be part of the Business- Type Activities, thus increasing that activity's assets, liabilities, revenues, and expenses, and changing its net position. The amount by which this departure would affect the assets, fund balances, liabilities, net position, revenues and expenses of the business-type activities and the omitted major fund cannot reasonably be determined.

Adverse Opinions

In our opinion, because of the significance of the matter described in the *Basis for Adverse Opinions on Business- Type Activities and Major Enterprise Fund* paragraph, the financial statements referred to above do not present fairly, the cash financial position of the Adams County Hospital enterprise fund or the business- type activities of Adams County, Ohio, as of December 31, 2015, or the changes in cash financial position or cash flows thereof for the year ended in accordance with the basis of accounting note 2 describes.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund except the Adams County Hospital fund, discretely presented component unit, and the aggregate remaining fund information of Adams County, Ohio, as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Ambulance & EMS, Board of Developmental Disabilities, Job and Family Services, Real Estate Assessment, and Motor Vehicle Gasoline Tax funds, thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

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

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

We applied no procedures to the Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

September 26, 2016

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Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The discussion and analysis of Adams County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2015, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements that begin on page 12.

Financial Highlights

Key financial highlights for 2015 are as follows:

Overall:

Total net position decreased \$163,926 with governmental activities decreasing by \$163,497 and business-type activities decreasing by \$429.

Total cash receipts were \$26,974,692 in 2015.

Total cash disbursements were \$27,138,618 in 2015.

Governmental Activities:

Total program cash receipts were \$16,765,362 in 2015, while program cash disbursements were \$27,137,012.

Program cash disbursements were primarily composed of Public Works, Human Services, Health, Public Safety, General Government-Judicial, and General Government-Legislative and Executive related cash disbursements which were \$4,855,619, \$7,668,921, \$3,596,445, \$3,837,176, \$1,816,087, and \$3,429,568, respectively, in 2015.

Business-Type Activities:

Program cash receipts were \$1,177 for business-type activities, while corresponding cash disbursements were \$1,606.

Using this Basic Financial Report

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

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

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which the County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and the other separate legal entity. The primary government consists of Adams County. The component unit presentation includes Venture Productions, Inc. on pages 11 and 12 presented on a cash basis. The Adams County Hospital is not presented in these financial statements as part of the primary government as they report on the accrual basis.

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Statement of Net Position-cash basis and the Statement of Activities-cash basis

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position-cash basis and the Statement of Activities-cash basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's *net position* and changes in that position. This change in net position is important because it tells the reader whether, for the County as a whole, the *cash basis financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

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

In the Statement of Net Position-cash basis and the Statement of Activities-cash basis, the County is divided into three distinct kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, other, capital outlay, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment program and the airport are reported as business-type activities.

Component Unit Activities – Although Venture Productions, Inc. is a separate legal entity, the County includes their activities since the County is financially accountable for this entity. Adams County Hospital is also a separate legal entity; however, their financial statements are presented on the accrual basis of accounting. The financial statements of the Adams County Hospital are not included in this presentation.

Reporting the County's Most Significant Funds

Fund Financial Statements

The analysis of the County's major funds begins on page 9. Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the General Fund, the Ambulance & EMS Fund, the Real Estate Assessment Fund, the Motor Vehicle Gas Tax Fund, the Job and Family Services Fund, and the ACBDD Fund.

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

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Proprietary Funds The County's proprietary funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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 basis of accounting used for fiduciary funds is the cash basis of accounting. The County's only fiduciary funds are agency funds.

The County as a Whole

Recall that the Statement of Net Position-cash basis provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2015 as compared to 2014:

Table 1
 Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Assets						
Equity in Pooled Cash and Cash Equivalents	\$12,434,783	\$12,534,572	\$715	\$1,144	\$12,435,498	\$12,535,716
Cash and Cash Equivalents with Fiscal Agents	80,970	144,678	0	0	80,970	144,678
Total Assets	12,515,753	12,679,250	715	1,144	12,516,468	12,680,394
Net Position						
Restricted	11,105,124	11,209,797	0	0	11,105,124	11,209,797
Unrestricted	1,410,629	1,469,453	715	1,144	1,411,344	1,470,597
Total Net Position	\$12,515,753	\$12,679,250	\$715	\$1,144	\$12,516,468	\$12,680,394

Total net position decreased by \$163,926 due to cash disbursements exceeding cash receipts.

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 2 shows the changes in net position for 2015 as compared to 2014.

Table 2
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Cash Receipts						
<i>Program Cash Receipts</i>						
Charges For Services	\$4,031,842	\$4,114,596	\$1,177	\$8,952	\$4,033,019	\$4,123,548
Operating Grants and Contributions	12,422,870	11,847,695	0	0	12,422,870	11,847,695
Capital Grants and Contributions	310,650	1,502,946	0	0	310,650	1,502,946
Total Program Cash Receipts	16,765,362	17,465,237	1,177	8,952	16,766,539	17,474,189
<i>General Cash Receipts and Transfers</i>						
Property Taxes	5,479,136	5,542,625	0	0	5,479,136	5,542,625
Sales Taxes	2,737,911	2,568,493	0	0	2,737,911	2,568,493
Grants and Entitlements Not Restricted to Specific Programs	1,118,364	1,172,454	0	0	1,118,364	1,172,454
Miscellaneous	439,859	433,561	0	0	439,859	433,561
Interest	67,596	60,127	0	0	67,596	60,127
Proceeds from Bonds and Loans	365,287	812,669	0	0	365,287	812,669
Total General Cash Receipts and Transfers	10,208,153	10,589,929	0	0	10,208,153	10,589,929
Total Cash Receipts and Transfers	26,973,515	28,055,166	1,177	8,952	26,974,692	28,064,118
Cash Disbursements						
<i>Program Cash Disbursements</i>						
General Government						
Legislative and Executive	3,429,568	3,225,608	0	0	3,429,568	3,225,608
Judicial	1,816,087	1,707,339	0	0	1,816,087	1,707,339
Public Safety	3,837,176	3,482,691	0	0	3,837,176	3,482,691
Public Works	4,855,619	4,933,418	0	0	4,855,619	4,933,418
Health	3,596,445	4,056,473	0	0	3,596,445	4,056,473
Human Services	7,668,921	7,267,383	0	0	7,668,921	7,267,383
Other	531,519	591,607	0	0	531,519	591,607
Capital Outlay	643,428	1,408,028	0	0	643,428	1,408,028
Debt Service:						
Principal Retirement	688,012	275,542	0	0	688,012	275,542
Interest and Fiscal Charges	70,237	56,647	0	0	70,237	56,647
Airport	0	0	600	13,074	600	13,074
Sewer	0	0	1,006	1,993	1,006	1,993
Total Cash Disbursements	27,137,012	27,004,736	1,606	15,067	27,138,618	27,019,803
Change in Net Position	(163,497)	1,050,430	(429)	(6,115)	(163,926)	1,044,315
Net Position at Beginning of Year	12,679,250	11,628,820	1,144	7,259	12,680,394	11,636,079
Net Position at End of Year	\$12,515,753	\$12,679,250	\$715	\$1,144	\$12,516,468	\$12,680,394

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Net position decreased \$163,497 in governmental activities in 2015. Program cash receipts were composed of charges for services, operating grants and contributions and capital grants and contributions which were \$4,031,842, \$12,422,870, and \$310,650 respectively.

Cash receipts for governmental activities decreased \$1,081,651 primarily due to decreases in capital grants and contributions, proceeds from bonds and loans and charges for services which were partially offset by increases in operating grants and contributions and sales taxes. Operating grants increased primarily due to increases in the Motor Vehicle Gas Tax program and the Jobs and Family Services program. Capital grants and contributions decreased due to a decrease in ODOT and OPWC monies received in 2015. Proceeds from bonds and notes decreased primarily due to the issuance of four additional bonds in 2014 totaling \$812,669 and bonds and loans were issued for only \$365,287 in 2015.

Program cash disbursements increased \$132,276. Health disbursements decreased as a result of decreased funding for services offered by the County Developmental Disabilities Office. Public safety increased due to additional salary costs related to the Sheriff and Adult Probation Departments and the reclassification of other disbursements. Human services disbursements increased due to an increased in services offered by the Child Support Enforcement Agency office.

Property taxes, sales taxes and operating grants and contributions made up 20.3, 10.2, and 46.1 percent, respectively for governmental activities for the County in 2015.

The Statement of Activities-cash basis shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the total cost of services and the net cost of services (on the cash basis) for the County. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental activities is apparent. Human services activities are mainly supported through charges for services and operating grants and contributions; for all governmental activities general cash receipts support is 37.6 percent as shown in Table 2. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for Adams County.

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 3
 Total Cost of Program Services
 Governmental Activities and Business-Type Activities

	2015		2014	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Governmental Activities				
General Government				
Legislative and Executive	\$3,429,568	\$2,372,433	\$3,225,608	\$2,252,844
Judicial	1,816,087	1,371,552	1,707,339	1,309,043
Public Safety	3,837,176	2,441,689	3,482,691	2,229,509
Public Works	4,855,619	730,519	4,933,418	975,232
Health	3,596,445	635,355	4,056,473	773,304
Human Services	7,668,921	1,378,790	7,267,383	1,426,110
Other	531,519	418,976	591,607	465,856
Capital Outlay	643,428	264,087	1,408,028	(224,588)
Debt Service				
Principal Retirement	688,012	688,012	275,542	275,542
Interest and Fiscal Charges	<u>70,237</u>	<u>70,237</u>	<u>56,647</u>	<u>56,647</u>
Total Cash Disbursements - Governmental Activities	<u><u>\$27,137,012</u></u>	<u><u>\$10,371,650</u></u>	<u><u>\$27,004,736</u></u>	<u><u>\$9,539,499</u></u>
Business-Type Activities				
Airport	\$600	\$600	\$13,074	\$5,478
Sewer	<u>1,006</u>	<u>(171)</u>	<u>1,993</u>	<u>637</u>
Total Cash Disbursements - Business-Type Activities	<u><u>\$1,606</u></u>	<u><u>\$429</u></u>	<u><u>\$15,067</u></u>	<u><u>\$6,115</u></u>

Business-Type Activities

Business-type activities include wastewater treatment services and the County airport. Program cash receipts did not support the business-type activities with program cash disbursements exceeding program cash receipts. Overall net position decreased \$429 from 2014 to 2015.

The County's Funds

Information about the County's major funds starts on page 13. These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$28,469,146 and cash disbursements and other financing uses of \$28,632,643. The net change in fund balance for the year was most significant in the ACBDD and the Motor Vehicle Gas Tax. The fund balance of the General Fund decreased \$58,824 due to increases in disbursements exceeded the increase in receipts from 2014 to 2015. The fund balance in the ACBDD Fund decreased \$460,855 due to disbursements exceeding receipts. The fund balance of the Motor Vehicle Gas Tax Fund increased \$222,026. The fund balance in the Job and Family Services Fund increased \$91,068. The fund balance of the Real Estate Assessment Fund increased due to cash receipts exceeding cash disbursements. The fund balance in the Ambulance and EMS Fund decreased \$8,289.

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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. For the General Fund, final budget basis receipts and other financing sources were \$8,438,240, above original budget estimates of \$8,100,000. Of this \$338,240 difference, final budgeted intergovernmental receipts were \$157,749 above original estimates, final budget tax receipts were \$86,254 above original estimates, and various other receipt categories made up the difference. Actual cash basis receipts and other financing sources were \$187,074 higher than final budgeted receipts which were primarily due to higher than expected tax, charges for services, and advances receipts which were partially offset by lower than anticipated intergovernmental receipts and transfer receipts. Final budgeted appropriations and other financing uses were \$9,337,135, which were above original appropriations and other financing uses of \$8,781,851. Of the \$555,284 difference, final budgeted appropriations in public safety and judicial were \$415,463 and \$170,227 above original budgeted appropriations, respectively, while final budgeted appropriations in other were \$98,759 below original budgeted appropriations. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were \$8,950,316, which was \$325,002 above cash receipts and other financing sources. The actual fund balance for the General Fund exceeded the final budgeted fund balance by \$573,893.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$643,428 during 2015.

Debt

Under the cash basis of accounting, the County does not report bonds, long-term notes or short-term notes in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, long-term notes and short-term notes. At December 31, 2015, the County had \$5,397,139, in bonds, leases, and related long-term debt for governmental activities. For additional information on debt, please see Note 9 and Note 10.

Table 4 summarizes bonds, loans and notes outstanding for Governmental Activities for the past two years:

Table 4
Outstanding Debt at December 31
Governmental Activities

	2015	2014
General Obligation Bonds	\$1,000,000	\$1,045,000
Special Assessment Bonds	234,266	241,028
Police Cruisers	100,000	0
OPWC Loans	1,501,063	1,574,557
OWDA Loan	1,855,729	1,893,651
Vehicle Acquisition Bonds	400,000	500,000
Courthouse Security & Renovation Bonds	114,000	150,000
Veterans Commission Vehicle Bonds	0	19,164
West Fork Road Improvement Bonds	126,000	140,000
Capital Lease	66,081	97,747
Gradall XL4100 III	0	58,717
Totals	\$5,397,139	\$5,719,864

Adams County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Current Financial Related Activities

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

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

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Gifford, County Auditor of Adams County, 110 West Main Street, Room 104, West Union, Ohio 45693-1395, or email at david.gifford@auditor.adamscountyoh.gov.

Adams County, Ohio
Statement of Net Position - Cash Basis
As of December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Venture Productions, Inc.
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$12,434,783	\$715	\$12,435,498	\$0
Cash and Cash Equivalents with Fiscal Agents	80,970	0	80,970	0
Cash and Cash Equivalents	0	0	0	342,002
<i>Total Assets</i>	12,515,753	715	12,516,468	342,002
NET POSITION:				
Restricted for Debt Service	551,275	0	551,275	0
Restricted for Capital Outlay	586,565	0	586,565	0
Restricted for ACBDD	1,634,185	0	1,634,185	0
Restricted for Motor Vehicle Gas Tax	1,266,309	0	1,266,309	0
Restricted for Job and Family Services	885,051	0	885,051	0
Restricted for Ambulance & EMS	1,499,546	0	1,499,546	0
Restricted for Real Estate Assessment	1,334,500	0	1,334,500	0
Restricted for Ohio Transportation Project	238,532	0	238,532	0
Restricted for Child Support Enforcement	774,272	0	774,272	0
Restricted for Probation Services	150,775	0	150,775	0
Restricted for Children Services Levy	809,051	0	809,051	0
Restricted for FEMA Projects	20,499	0	20,499	0
Restricted for Other Purposes	1,354,564	0	1,354,564	0
Unrestricted	1,410,629	715	1,411,344	342,002
<i>Total Net Position</i>	\$12,515,753	\$715	\$12,516,468	\$342,002

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

Adams County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015

	Net (Disbursements) Receipts and Changes in Net Position						Component Unit	
	Program Cash Receipts				Position			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Venture Productions, Inc.
Governmental Activities:								
General Government:								
Legislative and Executive	\$3,429,568	\$638,783	\$418,352	\$0	(\$2,372,433)	\$0	(\$2,372,433)	\$0
Judicial	1,816,087	350,616	93,919	0	(1,371,552)	0	(1,371,552)	0
Public Safety	3,837,176	691,901	703,586	0	(2,441,689)	0	(2,441,689)	0
Public Works	4,855,619	756,133	3,368,967	0	(730,519)	0	(730,519)	0
Health	3,596,445	471,276	2,489,814	0	(635,355)	0	(635,355)	0
Human Services	7,668,921	1,007,501	5,282,630	0	(1,378,790)	0	(1,378,790)	0
Other	531,519	100,353	12,190	0	(418,976)	0	(418,976)	0
Capital Outlay	643,428	15,279	53,412	310,650	(264,087)	0	(264,087)	0
Debt Service:								
Principal Retirement	688,012	0	0	0	(688,012)	0	(688,012)	0
Interest and Fiscal Charges	70,237	0	0	0	(70,237)	0	(70,237)	0
<i>Total Governmental Activities</i>	<i>27,137,012</i>	<i>4,031,842</i>	<i>12,422,870</i>	<i>310,650</i>	<i>(10,371,650)</i>	<i>0</i>	<i>(10,371,650)</i>	<i>0</i>
Business-Type Activities:								
Airport	600	0	0	0	0	(600)	(600)	0
Sewer	1,006	1,177	0	0	0	171	171	0
<i>Total Business-Type Activities</i>	<i>1,606</i>	<i>1,177</i>	<i>0</i>	<i>0</i>		<i>(429)</i>	<i>(429)</i>	<i>0</i>
Component Unit:								
Venture Productions, Inc.	293,271	253,814	0	0				(39,457)
<i>Total Component Unit</i>	<i>293,271</i>	<i>253,814</i>	<i>0</i>	<i>0</i>				(39,457)
Totals	\$27,431,889	\$4,286,833	\$12,422,870	\$310,650				(39,457)
General Cash Receipts								
Property Taxes Levied for:								
General Purposes				2,372,050	0	2,372,050	0	
Ambulance & EMS				1,110,676	0	1,110,676	0	
ACBDD				711,658	0	711,658	0	
Other Purposes				1,284,752	0	1,284,752	0	
Sales Taxes Levied for General Purposes				2,737,911	0	2,737,911	0	
Grants and Entitlements Not								
Restricted to Specific Programs				1,118,364	0	1,118,364	0	
Miscellaneous				439,859	0	439,859	47,790	
Interest				67,596	0	67,596	243	
Proceeds from Loans				214,000	0	214,000	0	
Proceeds from OWDA Loans				151,287	0	151,287	0	
<i>Total General Cash Receipts</i>	<i>10,208,153</i>			<i>0</i>	<i>10,208,153</i>		<i>48,033</i>	
<i>Change in Net Position</i>				(163,497)	(429)	(163,926)		8,576
<i>Net Position Beginning of Year</i>				<i>12,679,250</i>	<i>1,144</i>	<i>12,680,394</i>		<i>333,426</i>
<i>Net Position End of Year</i>				<i>\$12,515,753</i>	<i>\$715</i>	<i>\$12,516,468</i>		<i>\$342,002</i>

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

Adams County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
As of December 31, 2015

	General	Ambulance & EMS	ACBDD	Motor Vehicle Gas Tax	Job and Family Services	Real Estate Assessment	All Other Governmental Funds	Total Governmental Funds
ASSETS:								
Equity in Pooled Cash and Cash Equivalents	\$1,410,629	\$1,499,546	\$1,553,215	\$1,266,309	\$885,051	\$1,334,500	\$4,485,533	\$12,434,783
Cash and Cash Equivalents with Fiscal Agents	0	0	80,970	0	0	0	0	80,970
<i>Total Assets</i>	\$1,410,629	\$1,499,546	\$1,634,185	\$1,266,309	\$885,051	\$1,334,500	\$4,485,533	\$12,515,753
FUND BALANCES:								
Nonspendable	\$40,900	\$0	\$0	\$0	\$0	\$0	\$0	\$40,900
Restricted	0	1,499,546	1,634,185	1,266,309	885,051	1,334,500	4,485,533	11,105,124
Assigned	344,309	0	0	0	0	0	0	344,309
Unassigned	1,025,420	0	0	0	0	0	0	1,025,420
<i>Total Fund Balances</i>	\$1,410,629	\$1,499,546	\$1,634,185	\$1,266,309	\$885,051	\$1,334,500	\$4,485,533	\$12,515,753

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

Adams County, Ohio
*Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds*
For the Year Ended December 31, 2015

	General	Ambulance & EMS	ACBDD	Motor Vehicle Gas Tax	Job and Family Services	Real Estate Assessment	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:								
Taxes	\$5,109,961	\$1,110,676	\$711,658	\$0	\$0	\$0	\$1,284,752	\$8,217,047
Special Assessments	0	0	0	0	0	0	14,505	14,505
Charges for Services	1,509,581	356,053	28,508	11,094	106,636	519,367	1,120,181	3,651,420
Licenses and Permits	1,850	0	0	0	0	0	0	1,850
Fines and Forfeitures	157,509	0	0	21,802	0	0	184,755	364,066
Intergovernmental	1,118,364	155,875	975,774	4,051,991	3,973,160	0	3,576,721	13,851,885
Interest	52,265	0	0	15,331	0	0	0	67,596
Other	272,076	0	0	93,401	442	0	73,940	439,859
<i>Total Cash Receipts</i>	<i>8,221,606</i>	<i>1,622,604</i>	<i>1,715,940</i>	<i>4,193,619</i>	<i>4,080,238</i>	<i>519,367</i>	<i>6,254,854</i>	<i>26,608,228</i>
CASH DISBURSEMENTS:								
Current:								
General Government:								
Legislative and Executive	2,844,572	0	0	0	0	422,773	162,223	3,429,568
Judicial	1,684,757	0	0	0	0	0	131,330	1,816,087
Public Safety	2,853,332	0	0	0	0	0	983,844	3,837,176
Public Works	150,916	0	0	3,308,822	0	0	1,395,881	4,855,619
Health	114,868	1,228,893	2,161,150	0	0	0	91,534	3,596,445
Human Services	282,071	0	0	0	3,991,963	0	3,394,887	7,668,921
Other	495,574	0	15,645	0	0	0	20,300	531,519
Capital Outlay	0	0	0	0	0	0	643,428	643,428
Debt Service:								
Principal Retirement	19,164	0	0	232,711	0	0	436,137	688,012
Interest and Fiscal Charges	59	0	0	20,060	0	0	50,118	70,237
<i>Total Cash Disbursements</i>	<i>8,445,313</i>	<i>1,228,893</i>	<i>2,176,795</i>	<i>3,561,593</i>	<i>3,991,963</i>	<i>422,773</i>	<i>7,309,682</i>	<i>27,137,012</i>
<i>Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements</i>	<i>(223,707)</i>	<i>393,711</i>	<i>(460,855)</i>	<i>632,026</i>	<i>88,275</i>	<i>96,594</i>	<i>(1,054,828)</i>	<i>(528,784)</i>
OTHER FINANCING SOURCES (USES):								
Proceeds from Loans	0	0	0	0	0	0	214,000	214,000
Proceeds from OWDA Loans	0	0	0	0	0	0	151,287	151,287
Transfers In	402,000	0	0	0	77,639	0	615,862	1,095,501
Advances In	185,834	0	0	0	0	0	214,296	400,130
Transfers Out	(208,655)	(402,000)	0	(410,000)	(74,846)	0	0	(1,095,501)
Advances Out	(214,296)	0	0	0	0	0	(185,834)	(400,130)
<i>Total Other Financing Sources (Uses)</i>	<i>164,883</i>	<i>(402,000)</i>	<i>0</i>	<i>(410,000)</i>	<i>2,793</i>	<i>0</i>	<i>1,009,611</i>	<i>365,287</i>
<i>Net Change in Fund Cash Balances</i>	<i>(58,824)</i>	<i>(8,289)</i>	<i>(460,855)</i>	<i>222,026</i>	<i>91,068</i>	<i>96,594</i>	<i>(45,217)</i>	<i>(163,497)</i>
<i>Fund Cash Balances at Beginning of Year</i>	<i>1,469,453</i>	<i>1,507,835</i>	<i>2,095,040</i>	<i>1,044,283</i>	<i>793,983</i>	<i>1,237,906</i>	<i>4,530,750</i>	<i>12,679,250</i>
<i>Fund Cash Balances at End of Year</i>	<i>\$1,410,629</i>	<i>\$1,499,546</i>	<i>\$1,634,185</i>	<i>\$1,266,309</i>	<i>\$885,051</i>	<i>\$1,334,500</i>	<i>\$4,485,533</i>	<i>\$12,515,753</i>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)*
For the Year Ended December 31, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS:				
Taxes	\$4,798,746	\$4,885,000	\$5,109,961	\$224,961
Charges for Services	1,249,087	1,197,973	1,330,095	132,122
Licenses and Permits	1,737	1,350	1,850	500
Fines and Forfeitures	147,916	147,400	157,509	10,109
Intergovernmental	1,050,251	1,208,000	1,118,364	(89,636)
Interest	49,082	30,000	52,265	22,265
Other	251,148	316,417	267,436	(48,981)
<i>Total Receipts</i>	<i>7,547,967</i>	<i>7,786,140</i>	<i>8,037,480</i>	<i>251,340</i>
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,834,444	2,925,525	2,705,688	219,837
Judicial	1,677,933	1,848,160	1,764,922	83,238
Public Safety	2,621,858	3,037,321	2,921,342	115,979
Public Works	334,426	327,440	162,471	164,969
Health	142,974	159,048	157,274	1,774
Human Services	436,585	434,189	300,978	133,211
Other	678,711	579,952	514,690	65,262
<i>Total Disbursements</i>	<i>8,726,931</i>	<i>9,311,635</i>	<i>8,527,365</i>	<i>784,270</i>
<i>Deficiency of Receipts Under Disbursements</i>	<i>(1,178,964)</i>	<i>(1,525,495)</i>	<i>(489,885)</i>	<i>1,035,610</i>
OTHER FINANCING SOURCES (USES):				
Transfers In	377,517	652,100	402,000	(250,100)
Transfers Out	(54,920)	(25,500)	(208,655)	(183,155)
Advances In	174,516	0	185,834	185,834
Advances Out	0	0	(214,296)	(214,296)
<i>Total Other Financing Sources (Uses)</i>	<i>497,113</i>	<i>626,600</i>	<i>164,883</i>	<i>(461,717)</i>
<i>Excess of Receipts and Other Financing Sources under Disbursements and Other Financing Uses</i>	<i>(681,851)</i>	<i>(898,895)</i>	<i>(325,002)</i>	<i>573,893</i>
<i>Fund Balance at Beginning of Year</i>	<i>1,013,069</i>	<i>1,013,069</i>	<i>1,013,069</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>255,502</i>	<i>255,502</i>	<i>255,502</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$586,720</i>	<i>\$369,676</i>	<i>\$943,569</i>	<i>\$573,893</i>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)*
For the Year Ended December 31, 2015

	Ambulance & EMS Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$1,035,334	\$1,102,950	\$1,110,676	\$7,726
Charges for Services	331,900	339,036	356,053	17,017
Intergovernmental	145,301	173,500	155,875	(17,625)
Other	0	0	0	0
<i>Total Receipts</i>	<u>1,512,535</u>	<u>1,615,486</u>	<u>1,622,604</u>	<u>7,118</u>
DISBURSEMENTS:				
Current:				
Health	<u>1,255,452</u>	<u>1,727,565</u>	<u>1,508,696</u>	<u>218,869</u>
<i>Total Disbursements</i>	<u>1,255,452</u>	<u>1,727,565</u>	<u>1,508,696</u>	<u>218,869</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>257,083</u>	<u>(112,079)</u>	<u>113,908</u>	<u>225,987</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(402,000)</u>	<u>(402,000)</u>	<u>(402,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(402,000)</u>	<u>(402,000)</u>	<u>(402,000)</u>	<u>0</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	<u>(144,917)</u>	<u>(514,079)</u>	<u>(288,092)</u>	<u>225,987</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,372,938</u>	<u>1,372,938</u>	<u>1,372,938</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>134,897</u>	<u>134,897</u>	<u>134,897</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,362,918</u>	<u>\$993,756</u>	<u>\$1,219,743</u>	<u>\$225,987</u>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2015*

	Real Estate Assessment			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$0	\$0	\$0	\$0
Charges for Services	510,500	519,000	519,367	367
Intergovernmental	0	0	0	0
<i>Total Receipts</i>	<u>510,500</u>	<u>519,000</u>	<u>519,367</u>	<u>367</u>
DISBURSEMENTS:				
Current:				
Human Services	865,503	869,003	665,592	203,411
<i>Total Disbursements</i>	<u>865,503</u>	<u>869,003</u>	<u>665,592</u>	<u>203,411</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(355,003)</u>	<u>(350,003)</u>	<u>(146,225)</u>	<u>203,778</u>
<i>Fund Balance at Beginning of Year</i>	1,040,623	1,040,623	1,040,623	0
<i>Prior Year Encumbrances Appropriated</i>	197,283	197,283	197,283	0
<i>Fund Balance at End of Year</i>	<u>\$882,903</u>	<u>\$887,903</u>	<u>\$1,091,681</u>	<u>\$203,778</u>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2015*

	ACBDD Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS:				
Taxes	\$702,716	\$700,000	\$711,658	\$11,658
Charges for Services	28,150	21,500	28,508	7,008
Intergovernmental	<u>963,514</u>	<u>993,880</u>	<u>975,774</u>	<u>(18,106)</u>
<i>Total Receipts</i>	<u>1,694,380</u>	<u>1,715,380</u>	<u>1,715,940</u>	<u>560</u>
DISBURSEMENTS:				
Current:				
Health	<u>3,565,108</u>	<u>3,565,108</u>	<u>2,389,596</u>	<u>1,175,512</u>
<i>Total Disbursements</i>	<u>3,565,108</u>	<u>3,565,108</u>	<u>2,389,596</u>	<u>1,175,512</u>
<i>Deficiency of Receipts Under Disbursements</i>	<u>(1,870,728)</u>	<u>(1,849,728)</u>	<u>(673,656)</u>	<u>1,176,072</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,874,312</u>	<u>1,874,312</u>	<u>1,874,312</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>220,728</u>	<u>220,728</u>	<u>220,728</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$224,312</u>	<u>\$245,312</u>	<u>\$1,421,384</u>	<u>\$1,176,072</u>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)*
For the Year Ended December 31, 2015

	Motor Vehicle Gas Tax Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Fines and Forfeitures	\$9,087	\$20,000	\$21,802	\$1,802
Charges for Services	17,858	11,000	11,094	94
Intergovernmental	3,318,992	4,019,000	4,051,991	32,991
Interest	12,558	0	15,331	15,331
Other	76,505	103,402	93,401	(10,001)
<i>Total Receipts</i>	<i>3,435,000</i>	<i>4,153,402</i>	<i>4,193,619</i>	<i>40,217</i>
DISBURSEMENTS:				
Current:				
Public Works	3,805,009	4,336,586	3,658,951	677,635
Debt Service:				
Principal Retirement	227,966	258,243	232,711	25,532
Interest and Fiscal Charges	0	0	20,060	(20,060)
<i>Total Disbursements</i>	<i>4,032,975</i>	<i>4,594,829</i>	<i>3,911,722</i>	<i>683,107</i>
<i>Excess of Receipts Under Disbursements</i>	<i>(597,975)</i>	<i>(441,427)</i>	<i>281,897</i>	<i>723,324</i>
OTHER FINANCING SOURCES:				
Transfers Out	0	0	(410,000)	(410,000)
<i>Total Other Financing Sources</i>	<i>0</i>	<i>0</i>	<i>(410,000)</i>	<i>(410,000)</i>
<i>Excess of Receipts and Other Financing Sources under Disbursements</i>	<i>(597,975)</i>	<i>(441,427)</i>	<i>(128,103)</i>	<i>313,324</i>
<i>Fund Balance at Beginning of Year</i>	<i>660,670</i>	<i>660,670</i>	<i>660,670</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>383,613</i>	<i>383,613</i>	<i>383,613</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i><u>\$446,308</u></i>	<i><u>\$602,856</u></i>	<i><u>\$916,180</u></i>	<i><u>\$313,324</u></i>

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

Adams County, Ohio
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)*
For the Year Ended December 31, 2015

	Job and Family Services Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS:				
Charges for Services	\$97,845	\$0	\$106,636	\$106,636
Intergovernmental	3,645,625	4,142,436	3,973,160	(169,276)
Other	406	1,050	442	(608)
<i>Total Receipts</i>	<i>3,743,876</i>	<i>4,143,486</i>	<i>4,080,238</i>	<i>(63,248)</i>
DISBURSEMENTS:				
Current:				
Human Services	4,503,473	4,818,473	4,244,333	574,140
<i>Total Disbursements</i>	<i>4,503,473</i>	<i>4,818,473</i>	<i>4,244,333</i>	<i>574,140</i>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<i>(759,597)</i>	<i>(674,987)</i>	<i>(164,095)</i>	<i>510,892</i>
OTHER FINANCING USES:				
Transfers In	0	0	77,639	77,639
Transfers Out	(50,000)	(50,000)	(74,846)	(24,846)
<i>Total Other Financing Uses</i>	<i>(50,000)</i>	<i>(50,000)</i>	<i>2,793</i>	<i>52,793</i>
<i>Excess of Receipts under Disbursements and Other Financing Uses</i>	<i>(809,597)</i>	<i>(724,987)</i>	<i>(161,302)</i>	<i>563,685</i>
<i>Fund Balance at Beginning of Year</i>	<i>609,008</i>	<i>609,008</i>	<i>609,008</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>184,975</i>	<i>184,975</i>	<i>184,975</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i><u>(\$15,614)</u></i>	<i><u>\$68,996</u></i>	<i><u>\$632,681</u></i>	<i><u>\$563,685</u></i>

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

Adams County, Ohio
Statement of Cash Basis Assets and Net Position
Proprietary Funds
As of December 31, 2015

	Enterprise Funds
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$715</u></u>
NET POSITION:	
Unrestricted	<u><u>\$715</u></u>

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

Adams County, Ohio
*Statement of Cash Receipts, Cash Disbursements and
 Changes in Cash Basis Net Position
 Proprietary Funds
 For the Year Ended December 31, 2015*

	Enterprise Funds
OPERATING CASH RECEIPTS:	
Charges for Services	<u>\$1,177</u>
<i>Total Operating Cash Receipts</i>	<u>1,177</u>
OPERATING CASH DISBURSEMENTS:	
Contractual Services	<u>1,006</u>
Materials and Supplies	<u>600</u>
<i>Total Operating Cash Disbursements</i>	<u>1,606</u>
<i>Operating Cash Receipts Over (Under) Operating Cash Disbursements</i>	<u>(429)</u>
<i>Net Cash Position at Beginning of Year</i>	<u>1,144</u>
<i>Net Cash Position at End of Year</i>	<u><u>\$715</u></u>

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

Adams County, Ohio
Statement of Fiduciary Net Position
Agency Funds
As of December 31, 2015

	<u>Agency Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$2,382,182
Cash and Cash Equivalents in Segregated Accounts	<u>431,862</u>
<i>Total Assets</i>	<u>2,814,044</u>
NET POSITION:	
Held on Behalf of Others	<u>2,814,044</u>
<i>Total Net Position</i>	<u>\$2,814,044</u>

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

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Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Adams County, Ohio (the County), is a body politic and corporate established for the purpose of exercising 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. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the County which are maintained in the funds described below. Services provided by the County include: general government, public safety, public works, health, and human services.

Reporting Entity

The County utilizes the standards of Governmental Accounting Standards Board codification 2100, "Defining the Reporting Entity" for determining the reporting entity. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this includes the Board of Developmental Disabilities and all departments and activities that are directly operated by the elected County officials.

Adams County Hospital (the Hospital) operates under Ohio Revised Code Section 339. The Hospital is served by a board of trustees appointed by the Adams County Commissioners and Adams County judges. The Hospital is not considered legally separate from the County. The Hospital prepares its financial statements in accordance with a basis of accounting which is different from that used by the County, and consequently, the Hospital's financial activity is not presented on the County's basic financial statements. Separately-issued financial statements can be obtained from Adams County Hospital, 230 Medical Center Drive, Seaman, Ohio 45679.

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 also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the issuance of its debt, or levying of its taxes.

As the custodian of public funds, the County Treasurer invests all public monies on deposit in the County Treasury. In the case of separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies is presented as agency funds within the County's financial statements: Soil and Water Conservation District, Adams County Health District, and Family and Children First Council.

The component unit column on the financial statements identifies the financial data of Venture Productions, Inc. The component unit is reported separately to emphasize that it is legally separate from the County. Information about Venture Productions, Inc. is presented with the County's disclosures.

Venture Productions, Inc. is a legally separate, not-for-profit corporation, served by a board of trustees appointed by the Adams County Board of Developmental Disabilities (ACBDD). The workshop, under contractual agreement with the Adams County Board of Developmental Disabilities, provides sheltered employment for mentally and/or physically handicapped adults in Adams County. The Adams County Board of Developmental Disabilities provides the workshop with staff salaries, transportation, equipment, staff to administer and supervise training programs, and other funds necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the mentally and/or physically handicapped adults of Adams County, the workshop is considered a component unit of Adams County. Venture Productions, Inc.'s financial activity is included as part of this report. Separately issued financial statements can be obtained from Venture Productions, Inc., P.O. Box 86, Seaman, Ohio 45679.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Entities for which the County provides services but are not included in this report are the Adams County Educational Service Center, Agricultural Society, and the Historical Society.

Adams County has several County departments that maintain segregated bank accounts for funds held in a custodial capacity. Elected or appointed departmental officials are responsible for the financial records. The County Auditor does not have any operating control over these monies. The financial activity related to these accounts is reported in the accompanying financial statements as agency funds.

The County is a member of the Southern Ohio Council of Governments, a jointly governed organization which is described in Note 11 to the basic financial statements.

Management believes the financial statements included in this report represent all of the funds for which the County is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Deposits

The County Treasurer invests all available funds of the County. County funds are invested in checking accounts with local commercial banks. The County pools its cash for investment purposes to capture the highest rate of return.

Fund Accounting

The County's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific County functions or activities. The operation of each fund is accounted for within a separate self-balancing set of accounts.

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 purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. Under the cash basis of reporting, there is no difference between governmental fund assets and fund balance. The following are the County's major governmental funds:

General Fund

This fund is the general operating fund of the County and is used to account for all financial resources not accounted for or reported in another fund. The General Fund is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Ambulance and EMS Special Revenue Fund

This fund is used to provide ambulance and EMS services to the community of Adams County. The primary sources of revenues are monies received from various federal and state grants and a property tax levy.

Real Estate Assessment Fund

This fund accounts for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACBDD Special Revenue Fund

This fund is used to provide assistance and training to mentally retarded and developmentally disabled individuals. The primary sources of revenues are various federal and state grants and a property tax levy.

Motor Vehicle Gas Tax Special Revenue Fund

This fund is used for maintenance and repair of roads and bridges. The primary sources of revenues are monies received from state gasoline tax and motor vehicle registration fees designated

Job and Family Services Special Revenue Fund

This fund is 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 various federal and state grants as well as transfers from the General Fund

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

Proprietary Funds

The proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. Enterprise funds are the County's only proprietary fund type.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered through user charges. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. For the County, enterprise funds are the Sewer Fund, which is used to account for the activities related to wastewater treatment in the County, and the Airport Fuel Fund, which is used to account for fuel purchases and sales for the airport.

Fiduciary Funds

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

Agency Funds

Agency funds are custodial in nature (assets equal net position) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The County's agency 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 have been collected and which will be distributed to other political subdivisions.

Basis of Presentation

For 2015, the County has continued to follow the provisions of GASB 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following are the more significant of the County's accounting policies. The County's basic financial statements consist of government-wide statements, including a statement of net cash position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position-Cash Basis and the Statement of Activities-Cash Basis display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The Statement of Net Position-Cash Basis presents the cash basis financial condition of governmental and business-type activities of the County at year-end. The Statement of Activities-Cash Basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental and business-type activities. Direct cash disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each business segment or governmental function is self-financing or draws from the general cash receipts of the County.

The government-wide financial statements also display information regarding one of the legally separate entities or component units, for which the County is fiscally responsible. This component unit is Venture Productions, Inc. and is described further in Note 1 to the financial statements.

Fund Financial Statements

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

Fund Balances

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

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

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

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the County Commissioners.

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

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

Basis of Accounting

Although required by Ohio Administrative Code Section 117-2-03(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the County chooses to prepare its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

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

For comparability purposes, Venture Productions, Inc.'s financial information has been presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

Cash Receipts – Exchange and Non-exchange Transactions

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

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the cash basis, receipts from property taxes are recognized in the year in which the taxes are received. Receipts from grants, entitlements and donations are recognized in the year in which the monies have been received.

Cash Disbursements

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

Budgetary Process

Budget

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

Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources that states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that the total contemplated disbursements from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budgeted receipts as shown in the accompanying financial statements do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriations. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the amended certificate of estimated resources in effect at the time the final appropriations were passed.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. Advances are not appropriated.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The amounts reported as the original budgeted amounts reflect the original budget approved by the County Commissioners.

The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

Cash and Cash Equivalents

Cash and cash equivalents consist of the total of fund cash balances of all funds as of December 31, 2015. To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of twelve to twenty-four months.

Individual fund balance integrity is maintained through the County's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to state statutes, grant requirements or debt related restrictions. For 2015, interest receipts credited to the General Fund and the Motor Vehicle Gas Tax Fund were \$52,265 and \$15,331, respectively.

Capital Assets and Depreciation

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

Compensated Absences

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

Long-Term Debt Obligations and Short-Term Debt Obligations

In general, bonds, long-term loans, capital leases, and short-term debt obligations are recorded as cash disbursements in the basic financial statements when paid.

Net Position – Cash Basis

Net position consists of cash receipts reduced by cash disbursements for the current year. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted for other purposes is comprised of net position restricted for grants. The County applies restricted resources when a disbursement is made for purposes for which both restricted and unrestricted net position is available.

Of the County's \$11,105,124 of restricted net position, none is restricted by enabling legislation.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

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

Pensions

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

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Primary Government

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for use within the current five year period of designation of depositories.

Inactive monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and federal national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

A. Primary Government (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than two hundred seventy days after purchase;
9. Bankers' acceptance for a period not to exceed one hundred and eighty days and in an amount not to exceed ten percent of the County's total average portfolio;
10. 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;
11. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio;
12. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies;
13. Notes issued by corporations incorporated and operating within the United States, or by depository institutions doing business under any state or United States authority and operating within the United States. Such investments shall not exceed fifteen percent of the County's total average portfolio and meet other requirements; and
14. A current unpaid or delinquent tax line of credit authorized under division (G) of section 135.341 of the Revised Code provided that all of the conditions for entering into such a line of credit under that division are satisfied.

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

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

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

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

A. Primary Government (Continued)

Cash on Hand: At year-end, the County had \$3,000 in undeposited cash on hand which is included as part of net position.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County's bank balance of \$17,804,740 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

\$80,970 was on hand with the Southern Ohio Council of Governments (the "Council"), as described in Note 11 to the financial statements. The Council, as fiscal agent, is responsible for obtaining adequate collateral for this money.

B. Component Unit – Venture Productions, Inc.

At December 31, 2015, the carrying amount of Venture Productions, Inc.'s deposits was \$342,002 and the bank balance was \$343,849. The total bank balance consists of a checking and a savings account and was covered by federal deposit insurance.

NOTE 4- BUDGETARY BASIS FUND BALANCES

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budgetary Basis presented for the General Fund, Ambulance & EMS Fund, Real Estate Assessment Fund, ACBDD Fund, Motor Vehicle Gasoline Fund, and Job and Family Services Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). As part of the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," certain funds that were previously reported as an Agency or Special Revenue Fund are considered part of the General Fund on a cash basis.

These include the Unclaimed Monies Fund, Certificate of Title Fund, and Public Defender Fund. These funds were excluded from the budgetary presentation for the General Fund.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 5 – TAXES

PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1 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. In addition, the voters have authorized an additional 0.5 percent tax. The allocation of the sales tax is 1 percent to the County's General Fund and 0.5 percent for Adams County Hospital. 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 State Auditor. The Tax Commissioner's certification must be made within forty-five days after the end of each month.

PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the County. Property tax receipts received during 2015 for real and public utility property taxes represent collection of 2014 taxes. Property tax payments received during 2015 for tangible personal property (other than public utility property) are for 2014 taxes.

2015 real property taxes are levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are intended to finance 2016.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

Public utility real and tangible personal 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 proceeding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The assessed value for the taxes levied in 2015 was \$657,795,190 of which real property represented 65 percent (\$425,421,010) of the total and public utility property represented 35 percent (\$232,374,180) of the total. The full tax rate for all County operations for taxes collected in 2015 was \$11.16 per \$1,000 of assessed valuation.

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

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

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 6 - RISK MANAGEMENT (Continued)

Each member county has one vote, on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time.

Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Insurance coverage stayed the same as in the prior year. Settlement amounts on claims have not exceeded insurance coverage in any of the past three years.

The Pool's audited financial statements conform with generally accepted accounting principles and reported the following assets, liabilities, and net position at April 30:

	2015	2014
Assets	\$106,414,816	\$102,433,967
Liabilities	24,182,435	33,489,859
Net Position	<u>\$82,232,381</u>	<u>\$68,944,108</u>

NOTE 7 – RETIREMENT SYSTEM

Net Pension Liability

For fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68” were effective. These GASB pronouncements had no effect on beginning net position as reported June 30, 2014, as the net pension liability and related deferred inflows and outflows of resources are not reported in the accompanying financial statements. The net pension liability has been disclosed below.

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. 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.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – RETIREMENT SYSTEM (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 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' CAFR referenced above for additional information):

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

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – RETIREMENT SYSTEM (Continued)

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

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

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

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

	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was \$1,131,817 fiscal year 2015.

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

The net pension liability reported as of December 31, 2015 was measured as of December 31, 2014, 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 projected contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportionate Share of the Net Pension Liability	\$9,708,958
Proportion of the Net Pension Liability	0.080498%

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – RETIREMENT SYSTEM (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 in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

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.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust 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, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 7 – RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target	Weighted Average
	Allocation for 2014	Long Term Expected Real Rate of Return
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 8.0%. 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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	Current		
	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
County's proportionate share of the net pension liability	\$17,861,701	\$9,708,864	\$2,842,384

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. Plan Description

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 two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

A. Plan Description (Continued)

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://wwwopers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. 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 2015, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees 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 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The County's actual contributions for 2015, 2014, and 2013, which were used to fund OPEB were \$161,688, \$198,285, and \$389,404, respectively.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 9 - DEBT OBLIGATIONS

Long-Term Debt Obligations:

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding the County's general long-term obligations during 2015 is as follows:

	Beginning Balance 1/1/2015	Additions	Payments	Ending Balance 12/31/2015	Due in One Year
General Obligation Bonds, 1.65% - 3.5%	\$1,045,000	\$0	\$45,000	\$1,000,000	\$50,000
Special Assessment Bonds, '3.25%	241,028	0	6,762	234,266	6,984
Police Cruisers	0	100,000	0	100,000	20,000
OPWC Loan #CO02H, 0%	54,600	0	5,200	49,400	5,200
OPWC Loan #CO09I, 0%	129,614	0	11,784	117,830	11,784
OPWC Loan #CO15L, 0%	351,000	0	13,500	337,500	13,500
OPWC Loan #CO05M, 0%	318,334	0	12,733	305,601	12,733
OPWC Loan #CO030, 0%	161,590	0	5,876	155,714	5,876
OPWC Loan #CO02P, 0%	377,000	0	13,000	364,000	13,000
OPWC Loan #CO14Q, 0%	182,419	0	11,401	171,018	11,401
OWDA Loan #4981, 1.00%	1,305,325	0	21,116	1,284,209	42,549
OWDA Loan #5956, 0%	588,326	0	16,806	571,520	33,619
OWDA Loan #7010, 0%	0	151,287	151,287	0	0
Vehicle Acquisition Bonds, 2.60%	500,000	0	100,000	400,000	100,000
Courthouse Security & Renovation Bonds, 2.99% 2014	150,000	0	150,000	0	0
Courthouse Security & Renovation Bonds, 2.99% 2015	0	114,000	0	114,000	36,000
Veterans Commission Vehicle Bonds, 2.99%	19,164	0	19,164	0	0
West Fork Rd. Improvement Bonds, 3.50%	140,000	0	14,000	126,000	14,000
Gradall XL 4100 III, 4.0%	58,717	0	58,717	0	0
	<u>\$5,622,117</u>	<u>\$365,287</u>	<u>\$656,346</u>	<u>\$5,331,058</u>	<u>\$376,646</u>

Outstanding special assessment bonds in the amount of \$320,163 were issued for the purpose of financing part of the cost of constructing a sanitary sewer line extension in the Peebles area. It is anticipated that the debt will be paid by the benefited property owners and not from the general funds of the County. However, County general funds are pledged for repayment. The bonds are payable over a period of thirty-nine years at 3.25% per annum, maturing June 1, 2039.

During 2005, the County entered into two grant/loan agreements with the Ohio Public Works Commission (OPWC). The first agreement, pertaining to the Pence Road and Church Road Bridge Replacements, included a grant in the amount of \$364,000 and a loan (Loan #CO02H) in the amount of \$104,000 at 0% interest, with semi-annual payments of \$2,600, maturing July 1, 2025. The second agreement, pertaining to the Buck Run Road Bridge Replacement, included a grant in the amount of \$100,000 and a loan (Loan #CO09I) in the amount of \$235,669 for 2005 represented in the amortization schedule at 0% interest, with semi-annual payments of \$5,892, maturing January 1, 2026. The OPWC loans are being repaid from the Motor Vehicle Gas Tax fund.

During 2008, the County entered into a loan agreement (Loan #4981) with OWDA for the purpose of obtaining funds in the amount of \$1,429,833 for phase one of the wastewater plant improvement project. This loan carries an interest rate of 1% and matures on January 1, 2042. This loan is being repaid from the debt service funds.

During 2009, the County entered into a grant/loan agreement with OPWC. The agreement, pertaining to Sproull Bridge Replacement, includes a grant of \$458,200 and a loan (Loan #CO05M) in the amount of \$382,000 at 0% interest. This loan is being paid in semi-annual installments of \$6,367, and matures on January 1, 2039. This loan is being repaid from the Motor Vehicle Gas Tax fund.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 9 - DEBT OBLIGATIONS (Continued)

During 2008, the County entered into a grant/loan agreement with OPWC. The agreement, pertaining to the Schools' Access and Sewage Project – Phase I, includes a grant of \$404,800 (CO14L), and a loan (CO15L) in the amount of \$405,000. This loan (CO15L) has a 0.00% interest rate. This loan is being paid back in semi-annual installments of \$6,750 from debt service funds. This loan has a final loan maturity of July 1, 2040.

During 2010, the County Commissioners entered into a loan agreement with National Bank of Adams County in the amount of \$271,831 to purchase a Gradall XL 4100 III for the Engineer's Office. This loan had a 4.0% interest rate and was paid off in 2015 from the Motor Vehicle Gas Tax Fund.

During 2011, the County entered into a grant/loan agreement (Loan CO030) with OPWC Issue I Round 25 County, Townships and Village Road Improvements for the purpose of obtaining funds in the amount of \$176,280 for 30 years at 0% with semi-annual payments of \$2,938. The loan is being repaid from the Motor Vehicle Gas Tax Fund.

During 2012, the County entered into a grant/loan agreement (Grant CO01P) and (Loan CO02P) with OPWC. This agreement pertains to Beasley Fork Road Bridge Replacement, which included a grant in the amount of \$350,000 and a loan in the amount of \$390,000 at 0% interest, with semi-annual payments of \$6,500. The loan is being repaid from the Motor Vehicle Gas Tax Fund.

During 2011, the County entered into a grant/loan agreement with OWDA (#5956) and the American Reinvestment and Recovery Act (ARRA) for the purpose of obtaining \$2,282,938 for the Waste Water Treatment System. During 2015, principal payments of \$16,806 were made by the County; however, this loan is not complete and therefore no amortization schedule is provided.

During 2012, the County issued General Obligation Bonds in the amount of \$1,135,000. The General Obligation Bonds payments are being made annually and will mature in 2032. The bonds are being repaid from debt service funds.

During 2013, the County entered into a grant/loan agreement (Loan CO14Q) with OPWC, County, Townships, and Village Road Improvements, for the purpose of obtaining funds in the amount of \$193,820 for 17 years at 0% with semi-annual payments of \$5,701. The loan is being repaid from the Motor Vehicle Gas Tax Fund.

During 2014, the County Commissioners issued \$500,000 of Engineer's Office Vehicle Acquisition Bonds to purchase vehicles for the Engineer's Office. These bonds have a 2.6% interest rate and will mature in 2019. These bonds are being repaid from the Motor Vehicle Gas Tax Fund.

During 2014, the County Commissioners issued \$150,000 in Courthouse Security/Renovation bonds for the purpose of renovating the courthouse. The bonds bear interest at 2.99% and mature in 2019. The bonds are being repaid from the Courthouse Security Renovation Fund.

During 2015, the County Commissioners authorized the issuance of \$144,000 in Courthouse Security Renovation bonds to replace the \$114,000 remaining balance of the 2014 Courthouse Security Renovation bonds and provide additional monies for construction. However, only \$114,000 of these bonds had been drawn down as of year-end.

During 2014, the County Commissioners issued \$22,669 in Veterans Commission Vehicle bonds for the purpose of purchasing a vehicle for the County's Veterans Commission. The bonds bear interest at 2.99%. The bonds were paid off from the General Fund in 2015.

During 2014, the County Commissioners issued \$140,000 in West Fork Road Improvement bonds for the purpose of improving West Fork Road in the County. The bonds bear interest at 3.50% and mature in 2024. The bonds are being repaid from the Motor Vehicle Gas Tax Fund.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 9 - DEBT OBLIGATIONS (Continued)

During 2015, the County Commissioners authorized the issuance of \$100,000 in Police Cruiser Acquisition bonds to purchase police cruisers. The bonds bear interest at 3.50% and mature in 2020.

During 2015, the County entered into a loan agreement (Loan #7010) with OWDA for the purpose of obtaining funds in the amount of \$151,287 for the Betty's Creek water line installation. The loan balance was repaid during 2015 from grant monies.

At December 31, 2015, the County's overall legal debt margin was \$9,547,741 with an unvoted debt margin of \$6,577,952.

Amortization of the above long-term debt obligations is as follows:

Special Assessment Bonds				OPWC Loans			
Due In	Principal	Interest	Total	Due In	Principal	Interest	Total
2016	6,984	7,557	\$14,541	2016	\$73,494	\$0	\$73,494
2017	7,212	7,329	14,541	2017	73,494	0	73,494
2018	7,448	7,092	14,540	2018	73,494	0	73,494
2019	7,692	6,848	14,540	2019	73,494	0	73,494
2020	7,944	6,596	14,540	2020	73,495	0	73,495
2021-2025	43,806	28,902	72,708	2021-2025	358,971	0	358,971
2026-2030	51,465	21,241	72,706	2026-2030	288,445	0	288,445
2031-2035	60,469	12,236	72,705	2031-2035	225,547	0	225,547
2036-2038	41,246	2,377	43,623	2036-2040	212,813	0	212,813
Total	\$234,266	\$100,178	\$334,444	2041-2043	47,816	0	47,816
				Total	\$1,501,063	\$0	\$1,501,063

General Obligation Bonds				OWDA Loans			
Due In	Principal	Interest	Total	Due In	Principal	Interest	Total
2016	\$50,000	\$28,263	\$78,263	2016	\$76,168	\$16,051	\$92,219
2017	50,000	27,437	77,437	2017	76,595	15,109	91,704
2018	50,000	26,613	76,613	2018	77,026	13,978	91,004
2019	50,000	25,487	75,487	2019	77,461	12,843	90,304
2020	50,000	24,363	74,363	2020	77,901	11,704	89,605
2021-2025	280,000	82,362	362,362	2021-2025	396,250	48,250	444,500
2026-2030	325,000	58,588	383,588	2026-2030	407,919	36,605	444,524
2031-2035	145,000	7,700	152,700	2031-2035	319,323	24,339	343,662
Total	\$1,000,000	\$280,813	\$1,280,813	2036-2040	264,980	11,446	276,426
				2041-2042	82,106	823	82,929
				Total	\$1,855,729	\$191,148	\$2,046,877

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 9 - DEBT OBLIGATIONS (Continued)

Amortization of the above long-term debt obligations is as follows:

Vehicle Acquisition Bonds				Courthouse Security & Renovation Bonds			
Due In	Principal	Interest	Total	Due In	Principal	Interest	Total
2016	100,000	10,428	\$110,428	2016	\$36,000	\$3,845	\$39,845
2017	100,000	7,800	107,800	2017	36,000	2,960	38,960
2018	100,000	5,200	105,200	2018	36,000	1,883	37,883
2019	100,000	2,600	102,600	2019	6,000	807	6,807
Total	\$400,000	\$26,028	\$426,028	Total	\$114,000	\$9,495	\$123,495

Sheriff Cruisers				West Fork Road Improvement Bonds			
Due In	Principal	Interest	Total	Due In	Principal	Interest	Total
2016	\$20,000	\$3,315	\$23,315	2016	\$14,000	\$4,422	\$18,422
2017	20,000	2,800	22,800	2017	14,000	3,920	17,920
2018	20,000	2,100	22,100	2018	14,000	3,430	17,430
2019	20,000	1,400	21,400	2019	14,000	2,940	16,940
2020	20,000	700	20,700	2020	14,000	2,457	16,457
Total	\$100,000	\$10,315	\$110,315	2021-2024	56,000	4,901	60,901
				Total	\$126,000	\$22,070	\$148,070

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In fiscal year 2014, the County entered into a lease-purchase agreement for the Alert PSS Software System in the amount of \$97,747. The County is leasing the equipment from Alert Public Safety Solutions. This project was financed with American Financial Network, Inc. and the County will make annual lease payments each October. The interest rate is fixed at 2.87 percent and expires in fiscal year 2017. The total principal payments during 2015 were \$31,666.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2015:

	Fiscal Year Ending June 30,	Total Payments
	2016	34,467
	2017	34,467
Total		68,934
Less: Amount Representing Interest		(2,853)
Present Value of Minimum Lease Payments		\$66,081

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

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 fifteen member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Adams County Board of Developmental Disabilities’ supportive living program monies. The County had a \$80,970 balance on hand with the Council which includes investments at cost. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, VA Medical Center, Building 8, 17273 State Route 104, Chillicothe, Ohio, 45601.

NOTE 12 - PUBLIC ENTITY SHARED RISK POOLS

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORS) is a jointly governed organization among sixty-five counties in Ohio. CORS was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORS Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORS.

Each member county has one vote, on all matters requiring a vote, to be cast by a designated representative. The affairs of CORS are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees.

No county may have more than one representative on the Board of Trustees at any time. Each member county’s control over the budgeting and financing of CORS is limited to its voting authority and any representation it may have on the Board of Trustees.

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

NOTE 13 – HEALTH CARE BENEFITS

The County provides life insurance and accidental death and dismemberment insurance to most employees with Consumer Life through Medical Mutual of Ohio. The County has elected to provide employee medical/surgical benefits and dental benefits through Medical Mutual. The employees share the cost of the monthly premium with the Board of Commissioners. The premium varies with employee depending on the terms of the union contract or personnel policy. Vision insurance is provided to employees by the County through Vision Plus of America.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - CONTINGENT LIABILITIES

A. Primary Government

Grants

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

Litigation

The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

B. Component Unit – Venture Productions, Inc.

As of December 31, 2015, there was no pending litigation against Venture Productions, Inc.

NOTE 15 – INTERFUND TRANSACTIONS

Transfers

	Transfers In	Transfers Out
<i>Major Funds:</i>		
General	\$402,000	\$208,655
Ambulance & EMS	0	402,000
Job and Family Services	77,639	74,846
MVGT	0	410,000
Total Major funds	<u>479,639</u>	<u>1,095,501</u>
<i>Non-major Special Revenue Funds:</i>		
Dog & Kennel	20,000	0
HUD-CDBG-Revolving	48	0
PA/Child Support Enforcement	74,846	0
Total Non-major Special Revenue Funds	<u>94,894</u>	<u>0</u>
<i>Non-major Debt Service Funds:</i>		
Energy Efficiency Upgrade	74,005	0
Courthouse Security Renovations	36,963	0
Total Non-major Debt Service Funds	<u>110,968</u>	<u>0</u>
<i>Non-major Capital Project Fund:</i>		
OPWC 2015 Bridge Improvement	410,000	0
Total Non-major Capital Project Fund	<u>410,000</u>	<u>0</u>
Total All Funds	<u><u>\$1,095,501</u></u>	<u><u>\$1,095,501</u></u>

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 and to provide resources for current operations. All transfers were done in accordance with the Ohio Revised Code. The Transfer in to the General fund was the result of a court order.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 15 – INTERFUND TRANSACTIONS (Continued)

Advances

	Advances In	Advances Out
<i>Major Fund:</i>		
General	<u>\$185,834</u>	<u>\$214,296</u>
<i>Non-major Special Revenue Funds:</i>		
2015 Cruisers	113,236	113,236
JAG	19,539	20,353
Victims/Crime	19,276	0
Airport Grant	6,219	6,219
Probation Incentives	6,026	6,026
Safe Communities 2014	20,000	10,000
LGIF/Economic Development	30,000	30,000
Total Non-major Special Revenue Funds	<u>214,296</u>	<u>185,834</u>
Total All Funds	<u><u>\$400,130</u></u>	<u><u>\$400,130</u></u>

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

NOTE 16 – COMPLIANCE

The Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. Contrary to this requirement, the County has elected to prepare its annual financial report on a cash basis.

NOTE 17 – ADAMS COUNTY REGIONAL MEDICAL CENTER (ACRMC)

The Medical Center's net position decreased \$1,088,068 in 2014 and decreased \$1,271,813 in 2013 (the most recent information available), respectively. The Medical Center had an operating loss of \$860,369 in 2014 and operating loss of \$1,053,406 in 2013 (the most recent information available).

These factors could be indicative of the Medical Center's inability to continue as a going concern and the separately issued Medical Center's audit opinion of December 31, 2014 (the most recent information available) reflected this going concern issue. Management is considering several alternatives for mitigating these conditions during the next year, including:

- Performing an overhaul of the Medical Center's revenue cycle procedures and implementing a contract management review process
- Increasing volume through aggressive marketing, physician recruitment and relationship with affiliates.
- Continuing to reduce unnecessary expenditures and adhere to effective cost management
- Renegotiating terms of the current bond agreement

The Adams County Regional Medical Center's financial statements can be obtained from the chief executive officer at 230 Medical Center Drive, Seaman, Ohio 45679.

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 18 – NEW ACCOUNTING PRINCIPLES

For 2015, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No.27” and GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.”

Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI).

Statement No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. These implementation of these statements did not have any impact on the beginning net position of the County as they are reporting on the cash basis of accounting.

NOTE 19 – 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 government funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Ambulance & EMS	ACBDD	Motor Vehicle Gas Tax	Job and Family Services	Real Estate Assessment	All Other Governmental Funds	Total Governmental Funds
Nonspendable								
Unclaimed Monies	\$40,900	\$0	\$0	\$0	\$0	\$0	\$0	\$40,900
Restricted for								
Ambulance & EMS	0	1,499,546	0	0	0	0	0	1,499,546
Other Purposes	0	0	0	0	0	0	2,518,143	2,518,143
Motor Vehicle Gas Tax	0	0	0	1,266,309	0	0	0	1,266,309
ACBDD	0	0	1,634,185	0	0	0	0	1,634,185
Real Estate Assessment	0	0	0	0	0	1,334,500	0	1,334,500
Job and Family Services	0	0	0	0	885,051	0	0	885,051
Children Services Levy	0	0	0	0	0	0	809,051	809,051
FEMA Projects	0	0	0	0	0		20,499	20,499
Capital Improvements	0	0	0	0	0	0	586,565	586,565
Debt Service	0	0	0	0	0	0	551,275	551,275
Total Restricted	0	1,499,546	1,634,185	1,266,309	885,051	1,334,500	4,485,533	11,105,124
Assigned to								
FY16 Appropriations in excess of Estimated Receipts	67,811	0	0	0	0	0	0	67,811
Other Purposes	276,498	0	0	0	0	0	0	276,498
Total Assigned	344,309	0	0	0	0	0	0	344,309
Unassigned								
Total Fund Balances	\$1,410,629	\$1,499,546	\$1,634,185	\$1,266,309	\$885,051	\$1,334,500	\$4,485,533	\$12,515,753

Adams County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 20 – SIGNIFICANT COMMITMENTS

Contractual Commitments

The County has entered into contracts for the following projects as of December 31, 2015:

Project	Contract Amount	Amount Expended	Balance at 12/31/2015
Courthouse Security Renovations	\$150,000	\$4,100	\$145,900
OPWC Project	1,085,504	0	1,085,504
Totals	\$1,235,504	\$4,100	\$1,231,404

Encumbrances

At December 31, 2015, the County had a significant encumbrance commitment in following governmental fund:

Fund	Amount
Major Fund: Motor Vehicle Gas Tax	\$350,129
Total Encumbrances	\$350,129

ADAMS COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job and Family Services</i>				
State Admin. Matching Grants For Supplemental Nutrition Assistance program	10.561	G-1617-11-5476		\$274,828
Total Supplemental Nutrition Assistance Program Cluster				274,828
Total U.S. Department of Agriculture				274,828
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	93.667	N/A		19,020
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Social Services Block Grant	93.667	G-1617-11-5476	292,981	401,861
Total Social Services Block Grant				420,881
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Medicaid Administration Claiming	93.778	N/A		38,966
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Medical Assistance Program	93.778	G-1617-115476		773,898
Medical Assistance Program- Child Welfare Related	93.778	G-1617-11-5477		3,936
Total Medical Assistance Program				816,800
<i>Passed Through Ohio Department of Health</i>				
Promoting Safe and Stable Families	93.556	N/A		20,715
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Promoting Safe and Stable Families	93.556	G-1617-11-5477		15,435
Total Promoting Safe and Stable Families				36,150
Temporary Assistance for Needy Families	93.558	G-1617-11-5476	218,624	1,354,619
Child Support Enforcement	93.563	G-1617-11-5476		665,145
Child Abuse & Neglect Prevention	93.590	G-1617-11-5477		2,000
Child Care & Development Block Grant	93.575	G-1617-11-5476		39,398
Child Welfare Services- State Grants	93.645	G-1617-11-5477		11,193
Foster Care- Maintenance	93.658	G-1617-11-5477		639,414
Adoption Assistance- Administration	93.659	G-1617-11-5477		195,942
Chafee Foster Care Independence Program	93.674	G-1617-11-5477		5,858
Total U.S. Department of of Health and human Services				4,187,400
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Department of Public Safety- Ohio Emergency Management Agency:</i>				
Emergency Managemnt Performance	97.042	EMW-2014-EP-00064		25,644
Total Homeland Security				25,644
<i>Passed Through Ohio Department of Public Safety- Ohio Emergency Management Agency:</i>				
Disaster Grants- Public Assistance	97.036	FEMA-4002		474,748
Total U.S. Department of of Homeland Security				500,392
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Development Services Agency:</i>				
Community Development Block Grant- Formula FY13	14.228	B-F-13-1AA-1		76,692
Community Development Block Grant- Formula FY14	14.228	B-F-14-1AA-1		92,000
CDBG-RPIG-Sunshine Ridge Waterline	14.228	B-W-13-1AA-1		392,850
CDBG-ARC-Winchester Village Lift Station	14.228	B-P-13-1AA-1		207,650
Total Community Development Block Grant				769,192
Total U.S. Department of Housing and Urban Development				769,192
U.S. DEPARTMENT OF APPALACHIAN REGIONAL COMMISSION				
<i>Passed Through Ohio Department of Development:</i>				
Appalachian Area Development	23.002	N/A		151,287

The accompanying notes are an integral part of this schedule.

(Continued)

ADAMS COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. ELECTION ASSISTANCE COMMISSION <i>Passed Through Ohio Secretary of State:</i> Help America Vote Act	90.401	N/A		500
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Health:</i> Special Education Grants for Infants & Families w/Disabilities	84.181	01-1-002-1-HG-0514 and 0615		59,393
U.S. DEPARTMENT OF TRANSPORTATION <i>Passed Through Federal Aviation Administration</i> Direct from the Federal Government Federal Aviation Administration- Airport Improvement Program	20.106	3-39-0112-0811		38,546
<i>Passed Through Ohio Department of Public Safety- Office of Criminal Justice Services:</i> State and Community Highway Safety	20.600	SC-2015-1-00-00-00499-00		16,923
Total U.S. Department of Transportation				55,469
U.S. DEPARTMENT OF JUSTICE <i>Passed Through Ohio Department of Public Safety- Offic of Criminal juste Services:</i> Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JG-D01-6875		20,000
<i>Passed Through Ohio Attorney General:</i> Crime Victim Assistance	16.575	2015-VA-GX-0059		6,021
Total U.S. Department of Justice				26,021
Total Expenditures of Federal Awards				\$6,024,482

The accompanying notes are an integral part of this schedule.

ADAMS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of Adams County (the County's) under programs of the federal government for the year ended December 31, 2015. 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 assets, or cash flows of the County.

NOTE 2 – BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The County passes certain federal awards received from Ohio Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE 4 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans. These loans are collateralized by second position mortgages on the property on behalf of the County for HUD.

NOTE 5 - MATCHING REQUIREMENTS

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

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Dave Yost • Auditor of State

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

Adams County
110 West Main Street
West Union, Ohio 45693

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Adams County, (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements and have issued our report thereon dated September 26, 2016, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We issued an adverse opinion on business type activities and related major enterprise fund because the County's cash basis financial statements do not include amounts related to Adams County Hospital.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2015-002 to be a significant deficiency.

Adams County
Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

Entity's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

September 26, 2016



Dave Yost • Auditor of State

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

Adams County
110 West Main Street
West Union, Ohio 45693

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Adams County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Adams County's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Adams County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.

Adams County
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
Page 2

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Dave Yost
Auditor of State

Columbus, Ohio

September 26, 2016

ADAMS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse: Business Type Activity and Enterprise Fund Opinion Units Unmodified: All other opinion units
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(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):	14.228 CDBG 93.558 TANF 93.563 CSEA 93.667 SSBG
(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 2015-001

Noncompliance

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

FINDING NUMBER 2015-001
(Continued)

Ohio Admin. Code Section 117-2-03(B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles.

The County did not prepare its annual financial report in accordance with generally accepted accounting principles as follows:

- The County prepared its financial statements in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time.
- Governmental Accounting Standards Board Codification (GASB) Section 2100 requires the County to report its County-owned Hospital (Adams County Regional Medical Center) in the annual financial report as a major enterprise fund and as a business type activity in the entity-wide statements. Management has not included the Adams County Regional Medical Center financial statements in the Adams County annual financial report.

The County can be fined and various other administrative remedies may be taken against the County, as such, we recommend the County take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Officials' Response:

County officials have reviewed the cost of converting to GAAP and have concluded that such conversion would not be financially feasible. Therefore, the County will continue on the OCBOA basis of financial reporting.

FINDING NUMBER 2015-002

Significant Deficiency

Accurate and timely accounting and reconciliation procedures are key components of an effective accounting system and internal controls required to enable the County Airport to properly classify transactions, maintain accountability for funds, distribute funds accurately, and detect fraud and errors in a timely manner.

The County failed to monitor monthly activity at the airport to ensure all revenue was received from credit card sales in the amount of \$708. This amount represents 100 percent of the airport's revenues.

Lack of controls over receipting of revenue can result in the loss of funds and errors in financial information.

We recommend that the monthly reconciling process of the airport activity be reviewed to ensure the proper steps are made to assure completeness and accuracy of information reported.

Officials' Response:

We will create and implement a policy and procedure to reconcile and review all airport fuel sales, and transfer fuel sales from credit card company to county account.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

ADAMS COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2015

Finding Number	Finding Summary	Status	Additional Information
2014-001	Ohio Admin Code Section 117-2-03(B) requires the county to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Reissued as 2015-01
2014-002	24 CFR 85.21 subsection(c) indicates grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and their disbursement by the grantee or subgrantee.	Corrected	

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ADAMS COUNTY

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	County officials have reviewed the cost of converting to GAAP and have concluded that such conversion would not be financially feasible. Therefore, the County will continue on the OCBOA basis of financial reporting.		David Gifford
2015-002	Will create and implement a policy and procedure to reconcile and review all airport fuel sales, and transfer fuel sales from credit card company to county account.	Present thru December 2017	Linda Mendenhall / Becky Brodt

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Dave Yost • Auditor of State

ADAMS COUNTY

CLERK'S CERTIFICATION

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

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 6, 2016