



MEIGS COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2015

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Meigs County prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 22, 2016

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, MCBDD Fund, Job and Family Services Fund, and Auto License and Gas Fund thereof for the year then ended in conformity with the accounting basis Note 2 describes.

Accounting Basis

Ohio Administrative Code Section 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 Information

We conducted our audit to opine on the County's financial statements taken as a whole. The Schedule of Federal Awards Expenditures 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 the 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 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.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2016 on our consideration of the Meigs County, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Meigs County, Ohio's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2016

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

The discussion and analysis of Meigs County's financial performance provides an overview of the County's financial activities for the year ended December 31, 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 and notes to the basic financial statements which begin on page 22.

Financial Highlights

Key financial highlights for 2015 are as follows:

Overall:

Total net position increased \$1,268,445 due to governmental activities increasing \$1,389,175 and business-type activities decreasing \$120,730.

Total cash receipts were \$22,632,982 in 2015.

Total cash disbursements were \$21,364,537 in 2015.

Governmental Activities:

Total program cash receipts were \$14,445,145 in 2015 while program disbursements were \$20,931,889.

Program cash disbursements were primarily composed of Human Services and Public Works which were \$7,473,048 and \$3,914,899, respectively, in 2015.

All governmental funds had total cash receipts and other financing sources of \$23,737,650 and cash disbursements and other financing uses of \$22,348,475.

Business-Type Activities:

Program cash disbursements were \$432,648 for business-type activities, while program cash receipts were \$303,929. Proceeds from loans amounted to \$7,989 in 2015.

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 in the short-term and what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Meigs County, the General Fund, MCBDD, Job and Family Services, and the Auto License and Gas Special Revenue Funds are the most significant funds and have been presented as major funds.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which Meigs County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and one other separate legal entity that is presented as a component unit. The primary government consists of Meigs County.

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

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 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 and the statement of activities, the County is divided into two distinct kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, 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 and water programs are reported as business-type activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The analysis of the County's governmental funds begins on page 10. 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, MCBDD, Job and Family Services, and Auto License and Gas Special Revenue Funds.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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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 fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

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 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 are custodial in nature and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

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 comparative summary of the County's net position for 2015 as compared to 2014:

Table 1
Net Position/Cash Basis

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<i>Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$7,518,887	\$6,129,712	(\$309,752)	(\$189,022)	\$7,209,135	\$5,940,690
Total Assets	7,518,887	6,129,712	(309,752)	(189,022)	7,209,135	5,940,690
<i>Net Position</i>						
Restricted	6,518,271	5,679,327	-	-	6,518,271	5,679,327
Unrestricted (Deficit)	1,000,616	450,385	(309,752)	(189,022)	690,864	261,363
Total Net Position	\$7,518,887	\$6,129,712	(\$309,752)	(\$189,022)	\$7,209,135	\$5,940,690

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

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

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

Table 2
Changes in Net Position/Cash Basis

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<i>Cash Receipts</i>						
<i>Program Cash Receipts</i>						
Charges For Services	\$ 3,234,675	\$ 3,442,510	\$ 288,781	\$ 276,842	\$ 3,523,456	\$ 3,719,352
Operating Grants and Contributions	10,871,390	9,866,335	-	36,149	10,871,390	9,902,484
Capital Grants and Contributions	339,080	784,589	15,148	-	354,228	784,589
Total Program Cash Receipts	14,445,145	14,093,434	303,929	312,991	14,749,074	14,406,425
<i>General Cash Receipts</i>						
Property Taxes	3,112,008	3,070,020	-	-	3,112,008	3,070,020
Sales Taxes	2,647,626	2,447,789	-	-	2,647,626	2,447,789
Grants and Entitlements not						
Restricted to Specific Programs	1,076,760	1,135,740	-	-	1,076,760	1,135,740
Interest Receipts	32,041	32,152	-	-	32,041	32,152
Proceeds from Loans	477,425	-	7,989	66,171	485,414	66,171
Miscellaneous	530,059	464,331	-	-	530,059	464,331
Total General Cash Receipts	7,875,919	7,150,032	7,989	66,171	7,883,908	7,216,203
Total Cash Receipts	22,321,064	21,243,466	311,918	379,162	22,632,982	21,622,628
<i>Cash Disbursements</i>						
<i>Program Cash Disbursements</i>						
<i>General Government</i>						
Legislative and Executive	2,620,882	2,367,845	-	-	2,620,882	2,367,845
Judicial	1,110,155	1,181,899	-	-	1,110,155	1,181,899
Public Safety	2,179,380	2,112,534	-	-	2,179,380	2,112,534
Public Works	3,914,899	4,429,314	-	-	3,914,899	4,429,314
Health	1,918,521	1,853,220	-	-	1,918,521	1,853,220
Human Services	7,473,048	6,912,034	-	-	7,473,048	6,912,034
<i>Community and Economic</i>						
Development	344,248	361,930	-	-	344,248	361,930
Other	497,779	702,231	-	-	497,779	702,231
Capital Outlay	756,862	971,802	-	-	756,862	971,802
<i>Debt Service:</i>						
Principal Retirement	115,117	405,532	-	-	115,117	405,532
Interest and Fiscal Charges	998	5,111	-	-	998	5,111
Sewer	-	-	291,207	368,042	291,207	368,042
Water	-	-	141,441	156,825	141,441	156,825
Total Cash Disbursements	20,931,889	21,303,452	432,648	524,867	21,364,537	21,828,319
Change In Net Position	1,389,175	(59,986)	(120,730)	(145,705)	1,268,445	(205,691)
<i>Net Position at Beginning of Year</i>	6,129,712	6,189,698	(189,022)	(43,317)	5,940,690	6,146,381
Net Position at End of Year	\$ 7,518,887	\$ 6,129,712	\$ (309,752)	\$ (189,022)	\$ 7,209,135	\$ 5,940,690

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

Governmental Activities

Operating Grants and Contributions increased due to receipts for the Job and Family Services program. Capital Grants and Contributions decreased due to a decrease in Ohio Public Works Commission grants for road projects. Sales tax increased due to an increase in the rate from 7.0% to 7.25% in 2014. Proceeds of Loans increased due primarily to the 2015 loans associated with the animal shelter, medical mission and med flight. Miscellaneous receipts increased as a result of increased funds received for refunds and reimbursements for the WIA and EMS programs.

Public Works decreased as a result of decreased grant revenue from the Ohio Public Works Commission for projects throughout the County. Human Services increased as a direct result of increased spending in the Job and Family Services program. Capital outlay disbursements decreased as a result of the purchase of land for the proposed new County Office building in 2014. The decrease in principal disbursements was due to the payoff of the EAC building note in 2014. The increase in legislative and executive disbursements and decrease in other disbursements is due to a change in account coding by the County.

Property taxes made up 14 percent of cash receipts for governmental activities for Meigs County in 2015. Operating grants and contributions made up 49 percent, capital grants and contributions made up 1.5 percent, charges for services and sales made up 14 percent, and sales taxes made up 12 percent of cash receipts for governmental activities for the County.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts, unrestricted State entitlements, and other general receipts for governmental activities. The County's tax receipts and other general receipts provided 35 percent of total cash receipts. Charges for services and operating and capital grants and contributions provided the other 65 percent of the receipts used to support the County's governmental activities. The taxpayers (through sales and property taxes) and the State of Ohio, as a whole, provide the vast majority of resources for Meigs County. Table 3 on the following page shows the total and net cost of services (on a cash basis) for the County.

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

Table 3
Total Cost of Program Services

	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	\$ 2,620,882	\$ 1,972,076	\$ 2,367,845	\$ 1,740,324
Judicial	1,110,155	697,496	1,181,899	737,022
Public Safety	2,179,380	1,264,524	2,112,534	1,065,530
Public Works	3,914,899	61,228	4,429,314	28,137
Health	1,918,521	466,434	1,853,220	423,982
Human Services	7,473,048	1,039,271	6,912,034	1,312,775
Community and Economic Development	344,248	38,611	361,930	61,933
Other	497,779	434,123	702,231	496,126
Capital Outlay	756,862	404,093	971,802	943,202
Debt Service				
Principal Retirement	115,117	115,117	405,532	405,532
Interest and Fiscal Charges	998	(6,229)	5,111	(4,545)
Total Cash Disbursements				
- Governmental Activities	<u>\$ 20,931,889</u>	<u>\$ 6,486,744</u>	<u>\$ 21,303,452</u>	<u>\$ 7,210,018</u>
Business-Type Activities				
Water and Sewer	<u>\$ 432,648</u>	<u>\$ 128,719</u>	<u>\$ 524,867</u>	<u>\$ 211,876</u>
Total Cash Disbursements				
- Business-Type Activities	<u>\$ 432,648</u>	<u>\$ 128,719</u>	<u>\$ 524,867</u>	<u>\$ 211,876</u>

Business-Type Activities

Business-type activities include wastewater treatment and water services. Program cash disbursements were due to contracted services and payroll expenses related to the Rutland Sewer and Water System. Program receipts were due to sewer and water receipts for services during 2015. The decrease in net position is due to program cash disbursements exceeding program cash receipts.

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

The County's Funds

Information about the County's governmental funds starts on page 14. These funds are accounted for using the cash basis of accounting. The General Fund cash balance went from \$464,703 in 2014 to \$1,015,484 in 2015 primarily due to an increase in taxes, intergovernmental, proceeds from loans and advances in, which was partially offset by an increase in overall disbursements. The Job and Family Services Fund cash balance went from \$204,144 in 2014 to \$294,199 in 2015. The Auto License and Gas Fund cash balance decreased \$2,663. The MCBDD Fund increased \$186,937 as a result of decreased disbursements. These factors along with increases in the other funds resulted in total governmental fund cash balances increasing \$1,389,175.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. For the General Fund, final budget basis receipts were \$5,507,212, which was \$43,702 above original budget estimates of \$5,463,510. This difference is due mainly to an increase in other revenue. Actual receipts and other financing sources exceeded final budgeted estimates in the amount of \$1,208,577. Of this difference, \$419,620, \$43,471, and \$706,786 represent tax receipts, intergovernmental, and advances in received in excess of final budgeted estimates, which were the most significant variances. Final budgeted disbursements for public safety increased over original estimates in the amount of \$346,560 due to an increase in salaries and benefits of the sheriff's department. Actual disbursements and other financing sources were above final budgeted estimates in the amount of \$409,260. This difference was primarily due to advances out; however, advances out are not required to be budgeted. Total actual cash receipts and other financing sources were \$480,212 more than disbursements and other financing uses on the budget basis (cash outlays plus encumbrances).

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but does record payments for capital assets as disbursements. The County had capital outlay disbursements of \$756,862 and \$17,534 during 2015 for governmental activities and business-type activities, respectively.

Debt

Under the cash basis of accounting the County does not report bonds or long-term loans 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 and long-term loans. At December 31, 2015, the County had \$394,110 and \$493,830 in long-term loans outstanding for governmental and business-type activities respectively.

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

Table 4
 Outstanding Debt at December 31
 Governmental Activities

	2015	Restated 2014
Loans	\$ 394,110	\$ 31,802
Totals	\$ 394,110	\$ 31,802
Business-Type Activities		
Loans	\$ 12,675	\$ 14,625
OWDA Loans	481,155	495,977
Total Business-Type Activities	\$ 493,830	\$ 510,602

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

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

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

Contacting the County's Financial Management

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

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 7,518,887	\$ (309,752)	\$ 7,209,135
<i>Total Assets</i>	<u>7,518,887</u>	<u>(309,752)</u>	<u>7,209,135</u>
NET POSITION:			
Restricted for Debt Service	33,387	-	33,387
Restricted for Capital Outlay	282,973	-	282,973
Restricted for MCBDD	1,161,502	-	1,161,502
Restricted for Job and Family Services	294,199	-	294,199
Restricted for Real Estate Assessment	638,041	-	638,041
Restricted for Auto License and Gas	883,003	-	883,003
Restricted for Children Services	181,539	-	181,539
Restricted for Child Support Enforcement	368,786	-	368,786
Restricted for Community Residential	407,281	-	407,281
Restricted for Emergency Medical Services	232,738	-	232,738
Restricted for Other Purposes	2,034,822	-	2,034,822
Unrestricted (Deficit)	<u>1,000,616</u>	<u>(309,752)</u>	<u>690,864</u>
<i>Total Net Position</i>	<u>\$ 7,518,887</u>	<u>\$ (309,752)</u>	<u>\$ 7,209,135</u>

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

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

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government:							
Legislative and Executive	\$ 2,620,882	\$ 348,233	\$ 300,573	\$ -	\$ (1,972,076)	\$ -	\$ (1,972,076)
Judicial	1,110,155	153,251	259,408	-	(697,496)	-	(697,496)
Public Safety	2,179,380	410,192	504,664	-	(1,264,524)	-	(1,264,524)
Public Works	3,914,899	621,957	2,892,634	339,080	(61,228)	-	(61,228)
Health	1,918,521	295,650	1,156,437	-	(466,434)	-	(466,434)
Human Services	7,473,048	1,184,038	5,249,739	-	(1,039,271)	-	(1,039,271)
Community and Economic Development	344,248	54,929	250,708	-	(38,611)	-	(38,611)
Other	497,779	63,656	-	-	(434,123)	-	(434,123)
Capital Outlay	756,862	102,769	250,000	-	(404,093)	-	(404,093)
Debt Service:							
Principal Retirement	115,117	-	-	-	(115,117)	-	(115,117)
Interest and Fiscal Charges	998	-	7,227	-	6,229	-	6,229
Total Governmental Activities	20,931,889	3,234,675	10,871,390	339,080	(6,486,744)	-	(6,486,744)
Business-Type Activities:							
Rutland Sewer	291,207	175,100	-	15,148	-	(100,959)	(100,959)
Rutland Water	141,441	113,681	-	-	-	(27,760)	(27,760)
Total Business-Type Activities	432,648	288,781	-	15,148	-	(128,719)	(128,719)
Totals	\$ 21,364,537	\$ 3,523,456	\$ 10,871,390	\$ 354,228			
General Cash Receipts:							
Property Taxes Levied for:							
General Purposes							
				1,372,613	-	-	1,372,613
				1,119,582	-	-	1,119,582
				619,813	-	-	619,813
Sales Taxes Levied for General Purposes							
				2,647,626	-	-	2,647,626
Grants and Entitlements Not							
Restricted to Specific Programs							
				1,076,760	-	-	1,076,760
				530,059	-	-	530,059
				32,041	-	-	32,041
				477,425	7,989	-	485,414
Total General Cash Receipts				7,875,919	7,989		7,883,908
Change in Net Position				1,389,175	(120,730)		1,268,445
Net Position Beginning of Year				6,129,712	(189,022)		5,940,690
Net Position End of Year				\$ 7,518,887	\$ (309,752)		\$ 7,209,135

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

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

	General	MCBDD	Job and Family Services	Auto License and Gas	All Other Governmental Funds	Total Governmental Funds
RECEIPTS:						
Taxes	\$ 4,020,239	\$ 1,119,582	\$ -	\$ -	\$ 619,813	\$ 5,759,634
Charges for Services	717,986	-	421,768	-	1,939,208	3,078,962
Licenses and Permits	1,627	-	-	-	14,200	15,827
Fines and Forfeitures	109,539	-	-	19,497	10,850	139,886
Intergovernmental	884,526	1,072,648	3,568,460	3,463,733	3,297,863	12,287,230
Interest	22,279	-	-	9,762	-	32,041
Other	324,873	29,319	-	64,034	111,833	530,059
<i>Total Receipts</i>	<u>6,081,069</u>	<u>2,221,549</u>	<u>3,990,228</u>	<u>3,557,026</u>	<u>5,993,767</u>	<u>21,843,639</u>
DISBURSEMENTS:						
Current:						
General Government:						
Legislative and Executive	2,208,165	-	-	-	412,717	2,620,882
Judicial	753,961	-	-	-	356,194	1,110,155
Public Safety	1,486,425	-	-	-	692,955	2,179,380
Public Works	85,714	-	-	3,416,992	412,193	3,914,899
Health	330,614	-	-	-	1,587,907	1,918,521
Human Services	264,618	1,934,612	3,900,173	-	1,373,645	7,473,048
Community and Economic Development	-	-	-	-	344,248	344,248
Other	497,779	-	-	-	-	497,779
Capital Outlay	-	-	-	142,697	614,165	756,862
Debt Service:						
Principal Retirement	110,000	-	-	-	5,117	115,117
Interest and Fiscal Charges	-	-	-	-	998	998
<i>Total Disbursements</i>	<u>5,737,276</u>	<u>1,934,612</u>	<u>3,900,173</u>	<u>3,559,689</u>	<u>5,800,139</u>	<u>20,931,889</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>343,793</u>	<u>286,937</u>	<u>90,055</u>	<u>(2,663)</u>	<u>193,628</u>	<u>911,750</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from Loans	110,000	-	-	-	367,425	477,425
Transfers In	-	-	-	-	198,121	198,121
Advances In	706,787	-	-	-	511,678	1,218,465
Transfers Out	(98,121)	(100,000)	-	-	-	(198,121)
Advances Out	(511,678)	-	-	-	(706,787)	(1,218,465)
<i>Total Other Financing Sources (Uses)</i>	<u>206,988</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>370,437</u>	<u>477,425</u>
<i>Net Change in Fund Balances</i>	550,781	186,937	90,055	(2,663)	564,065	1,389,175
<i>Fund Balances at Beginning of Year</i>	464,703	974,565	204,144	885,666	3,600,634	6,129,712
<i>Fund Balances at End of Year</i>	<u>\$ 1,015,484</u>	<u>\$ 1,161,502</u>	<u>\$ 294,199</u>	<u>\$ 883,003</u>	<u>\$ 4,164,699</u>	<u>\$ 7,518,887</u>
Assets at End of Year						
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,015,484</u>	<u>\$ 1,161,502</u>	<u>\$ 294,199</u>	<u>\$ 883,003</u>	<u>\$ 4,164,699</u>	<u>\$ 7,518,887</u>
FUND BALANCES AT END OF YEAR:						
Nonspendable	\$ 17,561	\$ -	\$ -	\$ -	\$ -	\$ 17,561
Restricted	-	1,161,502	294,199	883,003	4,179,567	6,518,271
Assigned	426,452	-	-	-	-	426,452
Unassigned (Deficit)	571,471	-	-	-	(14,868)	556,603
<i>Total Fund Balances</i>	<u>\$ 1,015,484</u>	<u>\$ 1,161,502</u>	<u>\$ 294,199</u>	<u>\$ 883,003</u>	<u>\$ 4,164,699</u>	<u>\$ 7,518,887</u>

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

Meigs 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			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 3,605,670	\$ 3,600,619	\$ 4,020,239	\$ 419,620
Charges for Services	497,320	492,868	536,339	43,471
Licenses and Permits	970	967	1,627	660
Fines and Forfeitures	140,050	109,539	109,539	-
Intergovernmental	873,000	868,975	884,526	15,551
Interest	20,000	20,000	22,279	2,279
Other	216,500	304,244	324,454	20,210
<i>Total Receipts</i>	<u>5,353,510</u>	<u>5,397,212</u>	<u>5,899,003</u>	<u>501,791</u>
DISBURSEMENTS:				
General Government:				
Legislative and Executive	1,966,787	2,094,202	2,091,307	2,895
Judicial	708,108	761,050	753,960	7,090
Public Safety	1,106,581	1,453,141	1,486,425	(33,284)
Public Works	80,695	85,714	85,714	-
Health	285,428	301,122	330,614	(29,492)
Human Services	282,709	276,203	269,979	6,224
Other	571,650	588,314	497,779	90,535
Debt Service:				
Principal Retirement	110,000	110,000	110,000	-
<i>Total Disbursements</i>	<u>5,111,958</u>	<u>5,669,746</u>	<u>5,625,778</u>	<u>43,968</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>241,552</u>	<u>(272,534)</u>	<u>273,225</u>	<u>545,759</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from Loan	110,000	110,000	110,000	-
Transfers Out	(115,000)	(116,571)	(98,121)	18,450
Advances In	-	-	706,786	706,786
Advances Out	-	(40,000)	(511,678)	(471,678)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,000)</u>	<u>(46,571)</u>	<u>206,987</u>	<u>253,558</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	236,552	(319,105)	480,212	799,317
<i>Fund Balance at Beginning of Year</i>	83,462	83,462	83,462	-
<i>Prior Year Encumbrances Appropriated</i>	<u>7,775</u>	<u>7,775</u>	<u>7,775</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 327,789</u>	<u>\$ (227,868)</u>	<u>\$ 571,449</u>	<u>\$ 799,317</u>

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

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

	MCBDD Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 997,000	\$ 997,000	\$ 1,119,582	\$ 122,582
Intergovernmental	887,000	883,259	1,072,648	189,389
Other	22,000	22,000	29,319	7,319
<i>Total Receipts</i>	<u>1,906,000</u>	<u>1,902,259</u>	<u>2,221,549</u>	<u>319,290</u>
DISBURSEMENTS:				
Human Services	2,277,000	2,306,980	1,934,612	372,368
<i>Total Disbursements</i>	<u>2,277,000</u>	<u>2,306,980</u>	<u>1,934,612</u>	<u>372,368</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(371,000)</u>	<u>(404,721)</u>	<u>286,937</u>	<u>691,658</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(100,000)	(100,000)	(100,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	<u>(471,000)</u>	<u>(504,721)</u>	<u>186,937</u>	<u>691,658</u>
<i>Fund Balance at Beginning of Year</i>	<u>974,565</u>	<u>974,565</u>	<u>974,565</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u><u>\$ 503,565</u></u>	<u><u>\$ 469,844</u></u>	<u><u>\$ 1,161,502</u></u>	<u><u>\$ 691,658</u></u>

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

Meigs 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			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Charges for Services	\$ 510,000	\$ 421,768	\$ 421,768	\$ -
Intergovernmental	3,690,000	3,452,461	3,568,460	115,999
<i>Total Receipts</i>	<u>4,200,000</u>	<u>3,874,229</u>	<u>3,990,228</u>	<u>115,999</u>
DISBURSEMENTS:				
Human Services	4,090,000	4,073,373	3,900,173	173,200
Capital Outlay	10,000	5,000	-	5,000
<i>Total Disbursements</i>	<u>4,100,000</u>	<u>4,078,373</u>	<u>3,900,173</u>	<u>178,200</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>100,000</u>	<u>(204,144)</u>	<u>90,055</u>	<u>294,199</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(50,000)	-	-	-
Advances Out	(50,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	-	(204,144)	90,055	294,199
<i>Fund Balance at Beginning of Year</i>	<u>204,144</u>	<u>204,144</u>	<u>204,144</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 204,144</u>	<u>\$ -</u>	<u>\$ 294,199</u>	<u>\$ 294,199</u>

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

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

	Auto License and Gas Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Fines and Forfeitures	\$ 16,000	\$ 16,000	\$ 19,497	\$ 3,497
Intergovernmental	3,288,000	3,345,238	3,463,733	118,495
Interest	5,000	9,762	9,762	-
Other	72,100	63,225	64,034	809
<i>Total Receipts</i>	<u>3,381,100</u>	<u>3,434,225</u>	<u>3,557,026</u>	<u>122,801</u>
DISBURSEMENTS:				
Public Works	4,081,447	4,091,360	3,416,992	674,368
Capital Outlay	168,500	175,319	142,697	32,622
<i>Total Disbursements</i>	<u>4,249,947</u>	<u>4,266,679</u>	<u>3,559,689</u>	<u>706,990</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(868,847)</u>	<u>(832,454)</u>	<u>(2,663)</u>	<u>829,791</u>
<i>Fund Balance at Beginning of Year</i>	<u>885,666</u>	<u>885,666</u>	<u>885,666</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 16,819</u>	<u>\$ 53,212</u>	<u>\$ 883,003</u>	<u>\$ 829,791</u>

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

Meigs County, Ohio
Statement of Assets and Net Position
Proprietary Fund - Cash Basis
As of December 31, 2015

	<u>Enterprise Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ (309,752)</u>
NET POSITION:	
Unrestricted	<u>\$ (309,752)</u>

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

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

	Enterprise Funds
OPERATING CASH RECEIPTS:	
Charges for Services	\$ 288,781
<i>Total Operating Cash Receipts</i>	<i>288,781</i>
OPERATING DISBURSEMENTS:	
Personal Services	142,505
Contractual Services	242,839
Materials and Supplies	86
Capital Outlay	17,534
<i>Total Operating Disbursements</i>	<i>402,964</i>
<i>Operating Receipts Over (Under) Operating Disbursements</i>	<i>(114,183)</i>
Non-Operating Receipts (Disbursements):	
Proceeds from Loans	7,989
Intergovernmental	15,148
Principal Retirement	(24,761)
Interest and Fiscal Charges	(4,923)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(6,547)</i>
<i>Change in Net Position</i>	<i>(120,730)</i>
<i>Net Position at Beginning of Year</i>	<i>(189,022)</i>
<i>Net Position at End of Year</i>	<i>\$ (309,752)</i>

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

Meigs County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds - Cash Basis
As of December 31, 2015

	<u>Agency Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,532,008
Cash and Cash Equivalents in Segregated Accounts	<u>668,037</u>
<i>Total Assets</i>	<u>2,200,045</u>
NET POSITION:	
Unrestricted	<u>2,200,045</u>
<i>Total Net Position</i>	<u>\$ 2,200,045</u>

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

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

NOTE 1 – REPORTING ENTITY

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

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

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

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

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

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) The County is able to significantly influence the programs or services performed or provided by the organization; or (2) The County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County. The County has no blended or discretely presented component units.

NOTE 1 – REPORTING ENTITY (Continued)

Separate Agencies

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

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

Other Organizations

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These basic financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions while business-type activities are generally financed through charges for services.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

The General Fund is the general operating fund of the County and is used to account for all financial resources not accounted for and 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board of Development Disabilities (MCBDD) Special Revenue Fund

This fund is to account for the operation of a school for the developmentally disabled and handicapped. The primary sources of revenue are a county-wide property tax levy and federal and state grants

Job and Family Services Special Revenue Fund

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

Auto License and Gas Special Revenue Fund

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges. The primary sources of revenue are the state gas tax and motor vehicle registration fees.

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, the enterprise funds are the Sewer Fund and the Water Fund, which are used to account for the activities related to wastewater treatment and water programs in the County.

Fiduciary Funds

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

C. Basis of Accounting

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

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

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

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

E. Cash and Cash Equivalents

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

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

During 2015, the County invested in certificates of deposit.

All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners' policy. For calendar year 2015, interest receipts amounted to \$32,041. The General Fund received \$22,279 and the Auto License and Gas Fund received \$9,762.

F. Capital Assets and Depreciation

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

G. Interfund Receivables/Payables

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

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

I. Employer Contributions to Cost-Sharing Pension Plans

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

J. Long-Term Obligations

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

K. Net Position

Net position represents the cash basis assets held by the County at year end. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available.

Of the County's \$6,518,271 in restricted net position, none is restricted by enabling legislation.

L. Fund Balance

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

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance (Continued)

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.

M. Interfund Activity

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

N. 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- 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 and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are due to several factors. The first factor is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). The second factor is that under Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that were previously reported as non-major special revenue funds are considered part of the General Fund on a cash basis. These funds were excluded from the budgetary presentation for the General Fund.

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

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, or the political subdivisions of Ohio, provided that such political subdivisions are located wholly or partly within the same county as the investing authority;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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. 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;
9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio;
10. Certain bankers' acceptances for a period not to exceed one hundred and eighty days and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
11. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies;

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

12. 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
13. 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.

Cash on Hand: At year-end, the County had \$5,715 in un-deposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

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 \$9,881,415 is either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner as described above.

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2015 for real and public utility property taxes represents collection of 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 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.

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

NOTE 5 - PROPERTY TAX (Continued)

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Certain public utility 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 \$359,656,200 of which real property represented 85.39 percent (\$307,121,390) of the total and public utility property represented 14.61 percent (\$52,534,810) of the total. The full tax rate for all County operations for taxes collected in 2015, was \$15.20 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 Meigs County Treasurer collects property taxes on behalf of all taxing districts within the County. The Meigs County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County's vehicles and general liability are covered by the County Risk Sharing Authority. At December 31, 2015, the County maintained the following insurance coverage through the insurance company:

<u>Type of Coverage</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	1,000,000	-
Property	42,108,519	2,500
Equipment Breakdown	100,000,000	2,500
Crime Coverage	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Uninsured/Underinsured Motorists	250,000	2,500

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

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

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

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

NOTE 7 - RETIREMENT SYSTEMS

Net Pension Liability

For 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 December 31, 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 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.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – County non-teaching employees participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan administered by OPERS. OPERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 145. OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Age and service requirements for retirement are as follows:

	Groups A/B *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 60 with 60 contributing months of service credit; or Age 55 with 25 or more years of service credit	Age 57 with 25 years of service credit; or Age 62 with 5 years of service credit

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

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

* 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. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013, comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013. See OPERS CAFR for additional details.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30 for Groups A and B, and 2.2 percent for the first thirty-five years of service and 2.5 percent for years of service credit over 35 for Group C. Final average salary is the average of the highest three years of salary for Groups A and B. Final average salary is the average of the highest five years of salary for Group C.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Local plan members are required to contribute 10 percent of their annual covered salary and the County is required to contribute 14 percent of annual covered payroll. Public safety and law enforcement members are required to contribute at a rate of 12.0% and 13.0%, respectively, of annual covered payroll and the County is required to contribute at a rate of 18.10% of covered payroll for both public safety and law enforcement. The contribution requirements of local plan members and employers are established and may be amended by the OPERS' Retirement Board up to statutory maximum amounts of 10 percent for local plan members and 14 percent for employers. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members was 2.0 percent in fiscal year 2015.

The County's contractually required contribution to OPERS was \$1,008,210 for 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	\$4,921,660
Proportion of the Net Pension Liability	0.040806%

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions - OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as December 31, 2014, are presented below:

Actuarial information	Traditional Pension Plan	Combined Plan
Wage Inflation	3.75%	3.75%
Future Salary Increases, including inflation	4.25% - 10.05%	4.25% - 8.05%
COLA or Ad Hoc COLA	(includes wage inflation at 3.75%) 3.00% Simple	(includes wage inflation at 3.75%) 3.00% Simple
Investment Rate of Return	8.00%	8.00%
Actuarial Cost Method	Individual entry age	Individual entry age

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% 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% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions - OPERS (continued)

Asset Class	Target Allocation for 2014	Weighted Average 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	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability 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.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
County's proportionate share of the net pension liability	\$9,054,443	\$4,921,660	\$1,440,860

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Plan Description - State Teachers Retirement System (STRS) (Continued)

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS Ohio was \$39,290 for fiscal year 2015.

Net Pension Liability

The net pension liability was measured as of June 30, 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:

	STRS
Proportionate Share of the Net Pension Liability	\$632,597
Proportion of the Net Pension Liability	0.00260077%

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above.

Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions – STRS (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$905,632	\$632,597	\$401,702

NOTE 8 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer's contributions are expressed as a percentage of the earnable salary of active members. In 2015, the County contributed at 14% of earnable salary for local government employer units and 18.1% for public safety and law enforcement. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

Ohio Public Employees Retirement System (OPERS) (Continued)

OPERS' Post Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to healthcare was 2% for both plans as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's actual contributions for 2015, 2014, and 2013, which were used to fund OPEB were \$168,043, \$162,956, and \$81,012, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expected to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The County's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$2,834, and \$2,716 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

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

NOTE 9 - DEBT OBLIGATIONS

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

Issues	Interest Rates	Outstanding 12/31/14 Restated	Additions	Reductions	Outstanding 12/31/15	Due in 1 Year
<u>Governmental Funds</u>						
<u>Long-Term Obligations</u>						
2011 - Farmers Bank 95042	3.63%	\$ 31,802	\$ -	\$ 5,117	\$ 26,685	\$ 5,787
2015 - Medical Mission	3.49%	-	110,000	110,000	-	-
2015 - Animal Shelter	3.45%	-	53,635	-	53,635	-
2015 - Med Flight	3.45%	-	313,790	-	313,790	-
Total Governmental Obligations		\$ 31,802	\$ 477,425	\$ 115,117	\$ 394,110	\$ 5,787
<u>Business-Type Fund</u>						
<u>Long-Term Obligations</u>						
2002 - Rural Hardship EPA	0.00%	\$ 14,625	\$ -	\$ 1,950	\$ 12,675	\$ 1,950
OWDA - Rutland Sewer	1.00%	464,546	-	13,883	450,663	14,022
OWDA - Rutland Water Purchase	1.00%	31,431	-	939	30,492	949
OWDA - HSTS Program	0.00%	-	7,989	7,989	-	-
Total Business-Type Activities		\$ 510,602	\$ 7,989	\$ 24,761	\$ 493,830	\$ 16,921

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

The 2011 Farmer's Bank and Savings Company loan in the amount of \$55,681 was obtained to remodel a building for the Job and Family Service 'Jobs One-Stop' Renovation. Monies from the Debt Service Fund are used to repay this debt.

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

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

The County issued an OWDA loan in 2015 in the amount of \$7,989 for the Home Sewage Treatment System (HSTS) project. The entire loan in the amount of \$46,121 has been drawn as of December 31, 2015. The OWDA loan was paid in 2015 by grant funding.

The County issued a line of credit in 2015 in the amount of \$110,000 for the Medical Mission Project. The entire amount of the line of credit was drawn down as of December 31, 2015. The loan was paid in 2015 by grant funding.

The County issued a line of credit in 2015 in the amount of \$250,000 for construction of an animal shelter. As of December 31, 2015, \$53,635 has been drawn. Monies from the Debt Service Fund will be used to repay this debt. The amortization schedule is not available and is therefore not presented.

The County issued a line of credit in 2015 in the amount of \$500,000 for the construction of a Med Flight building. As of December 31, 2013, \$313,790 has been drawn. The amortization schedule is not available and is therefore not presented. Monies from the Debt Service Fund will be used to repay this debt.

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

NOTE 9 - DEBT OBLIGATIONS (Continued)

At December 31, 2015, the County's overall legal debt margin was \$6,970,890 with an unvoted debt margin of \$3,596,562.

The annual requirements to amortize debt and interest outstanding as of December 31, 2015, are as follows:

Year Ending December 31	Rural Hardship EPA				OWDA Rutland Water			
	Loan		Farmer's Bank - 95042		OWDA Rutland Sewer		Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,950	\$ -	\$ 5,787	\$ 884	\$ 14,022	\$ 4,472	\$ 949	\$ 303
2017	1,950	-	6,003	677	14,162	4,331	958	293
2018	1,950	-	6,228	443	14,304	4,189	968	283
2019	1,950	-	6,460	211	14,448	4,046	978	274
2020	1,950	-	2,207	17	14,593	3,901	987	264
2021-2025	2,925	-	-	-	75,188	17,282	5,087	1,169
2026-2030	-	-	-	-	79,032	13,436	5,347	909
2031-2035	-	-	-	-	83,074	9,394	5,621	635
2036-2040	-	-	-	-	87,322	5,146	5,908	348
2041-2043	-	-	-	-	54,518	955	3,689	66
Total	\$ 12,675	\$ -	\$ 26,685	\$ 2,232	\$ 450,663	\$ 67,152	\$ 30,492	\$ 4,544

NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS

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

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

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2015, the County made no contributions to the Board.

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

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

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

NOTE 10 –JOINTLY GOVERNED ORGANIZATIONS (Continued)

Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District (Continued)

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

Gallia-Meigs Regional Airport

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

Gallia-Meigs Community Action Agency

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

Area Agency on Aging

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

NOTE 10 –JOINTLY GOVERNED ORGANIZATIONS (Continued)

Meigs County Park District

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

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the “Council”), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Meigs County Board of Developmental Disabilities’ supportive living program monies. As of December 31, 2015, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 St. Rt. 104, Building 8, Chillicothe, Ohio 45601.

NOTE 11 - PUBLIC ENTITY SHARED RISK POOL

County Commissioners Association of Ohio Workers’ Compensation Group Rating Plan

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

NOTE 12 - CONTINGENCIES

Grants

The County received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the County at December 31, 2015, if applicable, cannot be determined at this time.

Litigation

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

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

NOTE 13 - INTERFUND ACTIVITY

	Transfers In	Transfers Out
<u>Major Funds:</u>		
General Fund	\$ -	\$ 98,121
MCBDD Fund	-	100,000
<u>Non-major Funds:</u>		
Other Governmental Funds	198,121	-
	\$ 198,121	\$ 198,121

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

	Advances In	Advances Out
General Fund	\$ 706,787	\$ 511,678
Other Governmental Funds	511,678	706,787
	\$ 1,218,465	\$ 1,218,465

During the year, the County's General Fund made advances to other funds in anticipation of intergovernmental grant revenue or other revenues and to advance funds for capital improvements. Advances to the General Fund are for repayments of outstanding advances.

NOTE 14 – COMPLIANCE AND ACCOUNTABILITY

Compliance

The Ohio Revised Code requires the County to prepare its financial report accordance with accounting principles generally accepted in the United States of America. The County has instead prepared its annual financial report on the cash basis of accounting, which is another comprehensive basis of accounting.

Accountability

As of December 31, 2015, the Rutland Sewer, Rutland Water, Litter Clean Up, 2012 CDBG Formula, Juvenile Court Dispute, Victim's Assistance, 2010 Diversion Grant, and Attendance Subsidy Funds had deficit cash balances in the amount of \$213,042, \$96,710, \$1,000, \$1,216, \$983, \$2,163, \$9,410, and \$96, respectively.

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

NOTE 15 - CHANGES IN 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 16 - FUND BALANCES

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

Fund Balances	General	MCBDD	Job and Family Services	Auto License and Gas	All Other Governmental	Total Governmental Funds
Nonspendable						
Unclaimed Monies	\$ 17,561	\$ -	\$ -	\$ -	\$ -	\$ 17,561
Restricted for						
Other Purposes	\$ -	\$ -	\$ -	\$ -	\$ 2,674,841	\$ 2,674,841
Debt Service	-	-	-	-	33,387	33,387
Capital Outlay	-	-	-	-	282,973	282,973
MCBDD	-	1,161,502	-	-	-	1,161,502
Job and Family Services	-	-	294,199	-	-	294,199
Real Estate Assessment	-	-	-	-	638,041	638,041
Auto License and Gas	-	-	-	883,003	-	883,003
Children Services	-	-	-	-	181,539	181,539
Child Support Enforcement	-	-	-	-	368,786	368,786
Total Restricted	-	1,161,502	294,199	883,003	4,179,567	6,518,271
Assigned to						
Other Purposes	426,452	-	-	-	-	426,452
Unassigned (Deficit)	571,471	-	-	-	(14,868)	556,603
Total Fund Balances	\$ 1,015,484	\$ 1,161,502	\$ 294,199	\$ 883,003	\$ 4,164,699	\$ 7,518,887

MEIGS COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. Department of Agriculture</u>			
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	05PU	10.553	\$1,295
National School Lunch Program	LLP4	10.555	20,186
Total Child Nutrition Cluster			<u>21,481</u>
<i>Passed through the Ohio Department of Job & Family Services</i>			
Food Stamp Cluster:			
State Admin Matching Grants for Food Stamp Program		10.561	244,375
Total Food Stamp Cluster			<u>244,375</u>
Total US Department of Agriculture			<u>265,856</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Ohio Department of Development/State's Program</i>			
Community Development Block Grants:			
FY13 CDBG Formula	B-F-13-1BW-1	14.228	14,702
FY15 CDBG Formula	B-F-14-1BW-1	14.228	154,180
Total Community Development Block Grants			<u>168,882</u>
Total U.S. Department of Housing and Urban Development			<u>168,882</u>
<u>U.S. Department of Labor</u>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Initiative Allocation - Adult	(1)	17.258	81,841
Workforce Initiative Allocation - Youth Activities	(1)	17.259	25,484
Workforce Initiative Allocation - Dislocated Workers	(1)	17.260	48,500
Total Workforce Initiative Allocation Cluster			<u>155,825</u>
Total U.S. Department of Labor			<u>155,825</u>
<u>Ohio Department of Public Safety</u>			
<i>Passed through the Ohio Department of Public Safety</i>			
Emergency Management Performance Grant (EMPG)	(1)	97.042	42,596
Total Ohio Department of Public Safety			<u>42,596</u>
<u>Ohio Department of Transportation</u>			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction	PID # 99396	20.205	2,218
Highway Planning and Construction	PID # 98619	20.205	34,020
Total Ohio Department of Transportation			<u>36,238</u>
<u>U.S. Department of Education</u>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education Grants to States	6BSF	84.027	16,972
Special Education Preschool Grant	PGS1	84.173	10,465
Total Special Education Cluster			<u>27,437</u>
Total U.S. Department of Education			<u>27,437</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Social Services Block Grant	(1)	93.667	470,680
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	(1)	93.667	14,944
Total Social Service Block Grant			<u>485,624</u>
<i>Passed through the Ohio Department of Job & Family Services</i>			
Medical Assistance Program	(1)	93.778	642,999
Total Medicare Cluster			<u>642,999</u>

MEIGS COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
CCDF Cluster:			
Child Care Development Block Grant	(1)	93.575	38,580
Total CCDF Cluster			<u>38,580</u>
TANF Cluster:			
TANF		93.558	1,238,174
Total TANF Cluster			<u>1,238,174</u>
Promoting Safe and Stable Families	(1)	93.556	21,489
Child Support Enforcement	(1)	93.563	179,098
Child Welfare Services State Grant	(1)	93.645	45,611
Foster Care Title VI-E Administration and Training	(1)	93.658	152,540
Adoption Assistance Title VI-E - Administration and Training	(1)	93.659	41,811
Federal Chaffee	(1)	93.674	128
Total U.S. Department of Health and Human Services			<u>2,846,054</u>
<u>Environmental Protection Agency - Office of Water</u>			
<i>Passed through the Ohio Water Development Authority</i>			
ARRA - Water Pollution Control Fund	(1)	66.458	7,989
Total Environmental Protection Agency - Office of Water			<u>7,989</u>
Total Federal Expenditures			<u><u>\$3,550,877</u></u>

- (1) - Passthrough entity number not available
(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

MEIGS COUNTY
Notes to the Schedule of Federal Awards Expenditures
For the year ended December 31, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - CHILD NUTRITION CLUSTER

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

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

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

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

We have audited 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, business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 20, 2016, wherein we noted the County's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider a material weakness. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of obtaining reasonable assurance whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2015-001.

Entity's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. The County's response is not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2016

**Independent Auditor's Report on Compliance with Requirements Applicable for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the Meigs County, Ohio (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 the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). These standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion on compliance for each of the County's major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each of the Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could directly and materially affect each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended December 31, 2015.

Board of Commissioners
Meigs County, Ohio
Independent Auditor's Report on Compliance with Requirements
Applicable For Each Major Program and on Internal Control over
Compliance Required by the Uniform Guidance

Report on Internal Control over Compliance

Management of Meigs County, Ohio is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could directly and materially affect a major federal program, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed for expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2016

MEIGS COUNTY, OHIO
Schedule of Findings
For the Year Ended December 31, 2015

A. SUMMARY OF AUDITOR'S RESULTS

1. Type of Financial Statement Opinion	Unmodified
2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
3. Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
4. Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
5. Were there any material internal control weaknesses reported for major federal programs?	No
6. Were there any other significant deficiencies in internal control reported for major federal programs?	No
7. Type of Major Programs' Compliance Opinion	Unmodified – Social Services Block Grant, Temporary Assistance for Needy Families
8. Are there any reportable findings in accordance with Title 2 CFR Section 200.516(a)?	No
9. Major Programs (list):	Social Services Block Grant- CFDA#93.667 Temporary Assistance for Needy Families CFDA#93.558
10. Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: All Other Programs
11. Low Risk Auditee?	No

MEIGS COUNTY, OHIO
Schedule of Findings
For the Year Ended December 31, 2015

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

Finding Number 2015-001

Annual Financial Report - Noncompliance Citation

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

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

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

Officials Response

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

MEIGS COUNTY, OHIO
Schedule of Prior Audit Findings
For the Year Ended December 31, 2015

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2014-001	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2015-001.
2014-002	Federal program compliance requirements state that the County must develop a cash management plan to comply with the 15-day rule relating to disbursement of funds.	Partially Corrected	Re-issued in Management Letter.

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Dave Yost • Auditor of State

MEIGS COUNTY FINANCIAL CONDITION

MEIGS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 1, 2016