



Dave Yost • Auditor of State

PICKAWAY COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Pickaway County
207 South Court Street
Circleville, Ohio 43113

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of Pickaway 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of Pickaway County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Auto, License and Gas Tax, Job and Family Services and Board of Developmental Disabilities funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4 to the financial statements, during the year ended December 31, 2015, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 4, 2016

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

The discussion and analysis of Pickaway County's financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the financial statements and notes to those respective statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at December 31, 2015, by \$61,350,531.
- The net position of governmental activities increased \$4,384,987 which represents a 7.98 percent increase from 2014, while the net position of business-type activities increased \$206, which represents a 0.01 percent increase.
- For 2015, all revenues of the County totaled \$38,412,827. General revenues accounted for \$19,086,122 in revenue or 49.69 percent of all revenues. Program revenues in the form of charges for services and grants and contributions accounted for \$19,326,705 or 50.31 percent of all revenues.
- The County had \$34,027,634 in total expenses: only \$19,326,705 of these expenses were offset by program specific charges for services, grants and contributions. General revenues were \$19,086,122 of which \$16,024,854 was taxes with the remaining \$3,061,268 interest, grants, entitlements not restricted and miscellaneous revenues.
- As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$30,369,575 an increase of \$3,118,006 or 11.44 percent in comparison with the prior year.

Overview of the Financial Statements

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

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: The government-wide financial statements, fund financial statements, and notes to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses. The statement of net position and the statement of activities provide information about activities of the County as a whole, presenting both an aggregate view of the County's finances and a longer-term view of those assets.

Pickaway County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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The statement of net position presents information on all of the County's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's tax base, current property tax laws in Ohio restricting revenue growth, and the condition of the County's capital assets (roads, bridges, sewer lines, etc.). These factors need to be considered when assessing the overall health of the County.

The statement of activities presents information showing how the County's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the County is divided into two distinct kinds of activities: governmental activities and business-type activities.

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The countywide water and sewer operation and the Sheriff web check activity are reported here.

Component Units - The County's financial statements include financial data for the Pickaway County Airport Authority. This component unit is described in the notes to the basic financial statements. The component unit is separate and may buy, sell, lease and mortgage property in its own name and can sue and be sued in its own name.

Fund Financial Statements

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Proprietary Funds - The County maintains three proprietary funds. It uses enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Countywide Sewer, Countywide Water and Instant Web Check Funds.

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

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

Pickaway County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
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Government-Wide Financial Analysis

You may recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2015 compared to 2014:

Table 1
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Assets:</u>						
Current and Other Assets	\$40,385,350	\$37,640,421	\$347,330	\$342,882	\$40,732,680	\$37,983,303
Capital Assets, Net	42,004,950	41,449,013	4,955,509	5,040,576	46,960,459	46,489,589
<i>Total Assets</i>	<u>82,390,300</u>	<u>79,089,434</u>	<u>5,302,839</u>	<u>5,383,458</u>	<u>87,693,139</u>	<u>84,472,892</u>
Deferred Outflows of Resources	2,355,332	1,636,820	34,230	12,855	2,389,562	1,649,675
<u>Liabilities:</u>						
Current and Other Liabilities	1,409,654	1,444,229	18,679	7,011	1,428,333	1,451,240
<i>Long-Term Liabilities:</i>						
Due within One Year	1,525,501	1,526,697	190,516	150,380	1,716,017	1,677,077
<i>Due in More Than One Year:</i>						
Net Pension Liability	12,963,270	12,732,246	215,470	98,749	13,178,740	12,830,995
Other Amounts	3,150,255	3,770,093	2,879,440	3,109,463	6,029,695	6,879,556
<i>Total Liabilities</i>	<u>19,048,680</u>	<u>19,473,265</u>	<u>3,304,105</u>	<u>3,365,603</u>	<u>22,352,785</u>	<u>22,838,868</u>
Deferred Inflows of Resources	6,377,337	6,318,361	2,048	0	6,379,385	6,318,361
<u>Net Position:</u>						
Net Investments in Capital Assets	38,764,845	39,983,085	1,885,553	1,780,733	40,650,398	41,763,818
<i>Restricted For:</i>						
Road and Bridges	2,325,965	2,451,515	0	0	2,325,965	2,451,515
Human Services	299,344	421,469	0	0	299,344	421,469
Developmental Disabilities	16,635,786	15,137,851	0	0	16,635,786	15,137,851
Debt Service	113,752	117,891	0	0	113,752	117,891
Other Purposes	4,931,679	4,460,795	0	0	4,931,679	4,460,795
Unrestricted	(3,751,756)	(7,637,978)	145,363	249,977	(3,606,393)	(7,388,001)
<i>Total Net Position</i>	<u>\$59,319,615</u>	<u>\$54,934,628</u>	<u>\$2,030,916</u>	<u>\$2,030,710</u>	<u>\$61,350,531</u>	<u>\$56,965,338</u>

During 2015, the County adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of these financial statements will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the County's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the County is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position for governmental activities at December 31, 2014 from \$66,066,971 to \$54,934,628.

Governmental current assets increased for the year ended 2015 when compared with 2014. The majority of the increase is due to increases in the cash and cash equivalents held by the County.

The increase in governmental capital assets is due primarily to infrastructure additions exceeding current year depreciation.

Pickaway County, Ohio
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The decrease in current liabilities for governmental activities is due mostly to a decrease in accounts payable and contracts payable in 2015 which was offset by an increase in intergovernmental payable.

The County's net position is reflected in three categories: Net investment in capital assets, restricted and unrestricted.

For governmental activities, the County's largest portion of net position relates to net investment in capital assets. This accounts for 65.35 percent of net position. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The County's smallest portion of net position is unrestricted which has a deficit balance of \$3,751,756.

The remaining balance of \$24,306,526 or 41.00 percent is restricted assets. The restricted net position is subject to external restrictions on how they may be used.

Business-type current assets increased due primarily to an increase in intergovernmental receivables. Capital assets decreased due to the annual depreciation. Current liabilities for business-type activities increased primarily as a result of increase in intergovernmental payable and accrued interest payable.

Pickaway County, Ohio
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Table 2 shows the changes in net position for 2015 compared to 2014.

Table 2
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<i>Program Revenues:</i>						
Charges for Services	\$5,062,132	\$5,097,552	\$562,544	\$524,636	\$5,624,676	\$5,622,188
Operating Grants & Contributions	13,252,029	12,131,849	0	0	13,252,029	12,131,849
Capital Grants & Contributions	450,000	488,782	0	0	450,000	488,782
<i>Total Program Revenues</i>	<u>18,764,161</u>	<u>17,718,183</u>	<u>562,544</u>	<u>524,636</u>	<u>19,326,705</u>	<u>18,242,819</u>
<i>General Revenues:</i>						
Property Taxes	7,694,285	7,460,705	0	0	7,694,285	7,460,705
Sales Taxes	8,211,873	7,610,319	0	0	8,211,873	7,610,319
Payments in Lieu of Taxes	118,696	375,291	0	0	118,696	375,291
Grants & Entitlements	1,442,073	2,244,347	0	0	1,442,073	2,244,347
Interest	276,936	211,315	0	0	276,936	211,315
Miscellaneous	1,342,259	1,527,839	0	8,936	1,342,259	1,536,775
Special Item	0	0	0	1,112,240	0	1,112,240
<i>Total General Revenues</i>	<u>19,086,122</u>	<u>19,429,816</u>	<u>0</u>	<u>1,121,176</u>	<u>19,086,122</u>	<u>20,550,992</u>
<i>Total Revenues</i>	<u>37,850,283</u>	<u>37,147,999</u>	<u>562,544</u>	<u>1,645,812</u>	<u>38,412,827</u>	<u>38,793,811</u>
<i>Program Expenses:</i>						
<i>General Government:</i>						
Legislative & Executive	5,821,383	5,723,542	0	0	5,821,383	5,723,542
Judicial	2,262,240	2,290,632	0	0	2,262,240	2,290,632
Public Safety	7,185,740	7,395,105	0	0	7,185,740	7,395,105
Public Works	5,508,157	6,107,692	0	0	5,508,157	6,107,692
Health	4,810,764	5,127,971	0	0	4,810,764	5,127,971
Human Services	7,097,949	6,833,976	0	0	7,097,949	6,833,976
Conservation & Recreation	372,755	363,012	0	0	372,755	363,012
Economic Development & Assistance	270,827	196,328	0	0	270,827	196,328
Other	0	2,922	0	0	0	2,922
Interest & Fiscal Charges	135,481	149,586	0	0	135,481	149,586
Countywide Sewer	0	0	476,265	362,662	476,265	362,662
Countywide Water	0	0	40,464	39,760	40,464	39,760
Instant Web Checks	0	0	45,609	23,004	45,609	23,004
<i>Total Program Expenses</i>	<u>33,465,296</u>	<u>34,190,766</u>	<u>562,338</u>	<u>425,426</u>	<u>34,027,634</u>	<u>34,616,192</u>
<i>Changes in Net Position</i>	4,384,987	2,957,233	206	1,220,386	4,385,193	4,177,619
Net Position at January 1	54,934,628	N/A	2,030,710	N/A	56,965,338	N/A
Net Position at December 31	<u>\$59,319,615</u>	<u>\$54,934,628</u>	<u>\$2,030,916</u>	<u>\$2,030,710</u>	<u>\$61,350,531</u>	<u>\$56,965,338</u>

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Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,649,675 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expenses of \$1,405,068. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2015 program expenses under GASB 68	\$33,465,296	\$562,338
Pension expense under GASB 68	(1,392,422)	(12,646)
2015 contractually required contribution	1,673,686	15,200
Adjusted 2015 program expenses	33,746,560	564,892
Total 2014 program expenses under GASB 27	34,190,766	425,426
Increase (Decrease) in program expenses not related to pension	(\$444,206)	\$139,466

Governmental Activities

The most significant program expenses for the County are Public Safety, Human Services, Legislative and Executive, Public Works, and Health. These programs account for 90.92 percent of the total governmental activities. Public Safety, which represents 21.47 percent of the total, represents costs mainly associated with the operation of the Sheriff's Department and County Jail. Human Services, which accounts for 21.21 percent of the total, represents costs associated with providing services for Workforce Investment Act, child support and enforcement assistance programs, and welfare programs for families and individuals. These expenses reflect programs administered by Job and Family Services, Child Support Enforcement Agency and Children Services. Legislative and Executive expenses, which is 17.40 percent of the total, represents costs associated with the general administration of county government including the County Commissioners, Auditor, Treasurer, Prosecutor and Recorder. Public Works, which accounts for 16.46 percent of the total, represents costs associated with the operation of the County Engineer in maintaining the County's roads and bridges. Health, which accounts for 14.38 percent of the total, primarily represents costs associated with the services provided by the Board of Developmental Disabilities. Funding for the most significant programs indicated above is from charges for services, operating grants, and in some instances property and sales taxes. The Job and Family Services, Child Support Enforcement Agency, Children Services and Clerk of Courts are basically funded with federal and state monies. The operation of the Sheriff's Department and County Jail is funded through General Fund general revenues and per diem charges to house prisoners from other jurisdictions. The Board of Developmental Disabilities is partially funded by a voted property tax levy. The most significant funding sources for the County Engineer are motor vehicle license fees and gasoline taxes.

As noted previously, the net position for the governmental activities increased \$4,384,987 or 7.98 percent. This change is different from last year when net position increased \$3,043,124 or 4.82 percent. Total revenues increased \$702,284 or 1.89 percent from last year and expenses decreased \$639,576 or 1.88 percent from last year.

Factors in the change in revenues are significant increases in sales taxes, which increased \$601,554 or 7.90 percent.

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

Expenses decreased 1.88 percent during 2015. Several factors led to this decrease. Public Works expenditures decreased \$590,920 or 9.69 percent, which is due to a decrease in Issue I funding from Ohio Public Works for road construction projects.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General Government				
Legislative and Executive	\$5,821,383	\$5,723,542	\$3,269,179	\$3,349,276
Judicial	2,262,240	2,290,632	1,152,581	1,362,756
Public Safety	7,185,740	7,395,105	6,066,775	5,676,139
Public Works	5,508,157	6,107,692	(372,236)	(30,628)
Health	4,810,764	5,127,971	3,031,673	3,429,700
Human Services	7,097,949	6,833,976	1,042,850	2,161,411
Conservation and Recreation	372,755	363,012	372,755	363,012
Community and Economic Development	270,827	196,328	2,077	8,409
Other	0	2,922	0	2,922
Interest and Fiscal Charges	135,481	149,586	135,481	149,586
Total Expenses	<u>\$33,465,296</u>	<u>\$34,190,766</u>	<u>\$14,701,135</u>	<u>\$16,472,583</u>

Of the \$33,465,296 in total governmental activities expenses, \$18,764,161 or 56.07 percent was covered by direct charges to users of the services and intergovernmental grants. The majority of program revenues are grants, with the remaining portion consisting of fees and charges for services. These charges are for fees charged for real estate transfers, for the collection of property taxes throughout the County, for title fees and for court fees. Public Safety charges for services include items such as fees for boarding prisoners, patrolling subdivisions, and for special details. Health includes charges for services provided to clients of the Board of Developmental Disabilities. For Public Works, the County Engineer has fully funded their operations.

Additional revenues were provided to the governmental activities by the state and federal governments for operations and capital improvements.

Business-Type Activities

This year, net position increased by \$206 or 0.01 percent. For 2015, there was an increase in charges for services and an increase in expenses, which was the result of increased activity from customers during the year and increases in personal services and contractual services expenditures.

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

Financial Analysis of the County's Funds

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the calendar year.

As of the end of the current year, the County's governmental funds reported combined ending fund balances of \$30,369,575. Of this total, \$6,707,699 represents unassigned fund balance, which is available for appropriation at the government's discretion within certain legal constraints and purposes restrictions. The majority amount of the governmental fund balances are restricted in the governmental fund statements, mandated by the source of the resources such as the state or federal government or the local tax levy.

The General Fund is the primary operating fund of the County. At the end of 2015, the unassigned fund balance of the General Fund was \$6,718,705. Unassigned fund balance represents 45.80 percent of expenditures. This is one measurement of the General Fund's liquidity. The fund balance of the General Fund increased by \$1,774,207, with the primary reasons being increases of \$326,523 for property tax revenue and \$595,124 for sales tax revenue.

The Auto, License and Gas Tax Fund balance increased by \$23,320 which is due to an increase in other revenues. The Job and Family Services Fund balance decreased by \$104,940, which is the result of decreased intergovernmental revenues. The Board of Developmental Disabilities Fund balance increased by \$1,517,886 which is the result of a decrease in expenditures.

Proprietary Fund - The County's significant proprietary fund is the Countywide Sewer Fund, which accounts for the providing of sewer services to several subdivisions. Net position of this proprietary fund at year end was \$1,181,045, of which \$144,934 was unrestricted, which is an increase of \$20,339 or 1.75 percent.

Budgetary Highlights - General Fund

By state statute, the Board of County Commissioners adopts the annual operating budget for the County. Essentially the budget is the County's appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code.

The County had several revisions to the original appropriations approved by the County Commissioners. Overall these changes resulted in an increase in the original appropriations of 1.61 percent or \$229,554, from 14,297,984 to \$14,527,538, in the General Fund. The majority of the increase occurred in the Judicial, Human Services and Legislative and Executive expenditure functions. The County spent 95.41 percent of the amount appropriated in the General Fund during 2015.

The final budgeted revenues were \$14,832,113 representing no change from the original budgeted estimate. Actual revenues were \$1,164,909 more than the final budgeted amount.

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

Capital Assets and Debt Administration

Capital Assets

The County's net investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$40,650,398. This net investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, and infrastructure and less related debt. For more information regarding the County's capital assets, see Note 8 of the notes to the basic financial statements.

Debt

Outstanding special assessment bonds at December 31, 2015, totaled \$47,000 with \$10,000 being retired during the year. Special assessment bonds are backed by the full faith and credit of the County. In the event of payment default by the property owners, the County would be responsible for the debt service payments.

General obligation notes outstanding at December 31, 2015 were \$841,256 with \$357,025 being retired during the year. These notes relate to proceeds used to purchase equipment for the County Engineer and reconstruction of roads and sidewalks.

General obligation bonds at December 31, 2015 were \$2,095,615 with \$185,000 being retired during the year. These bonds relate to proceeds used to renovate all County buildings with improvements meant for energy savings.

Loans outstanding at December 31, 2015 were \$179,262 from the Ohio Public Works Commission with \$12,804 being retired during 2015; \$71,873 for Clark's Run Ditch with \$35,412 being retired during the year and \$12,689 for Pence Tile Ditch Improvement Project with \$6,361 being retired during 2015. These loans relate to proceeds used to complete renovations of the Cromley Road Bridge Replacement Project, Clark's Run Ditch project and Pence Tile Ditch Improvement Project.

The County continues to monitor its outstanding debt. Information relative to the County's debt is identified in Notes 9 and 10 of the notes to the basic financial statements.

Economic Factors

The economic outlook for the County continues to improve. The County's general fund income increased in 2015 compared to 2014 revenues. Sales tax revenues are projected to continue to grow due to steady growth and the addition of new businesses locating in the County. Local government and casino revenues remained fairly constant in 2015 compared to 2014. They are expected to remain the same in 2016. Appropriations for 2016 are expected to slightly increase over the actual expenditures for 2015. The ending balance for 2016 is expected to be higher than it was at the end of 2015. These various economic factors were considered in the preparation of the County's 2015 budget and will be considered in the preparation of future budgets. With the slight increase in health insurance premiums and the small increase in salary and benefits, excluding union and bargaining employees and elected officials, the County took a conservative budget approach for the General Fund in 2015 by allowing only slight increases for department appropriations and other operating expenses.

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

Infrastructure

Progress continues to be made in local efforts to improve the transportation, utility, and community enhancement infrastructure needed to promote sustained economic growth in Pickaway County.

Thomson JRS – Agreement was reached with the Ohio Development Services Agency, Pickaway Progress Partnership (P3) and Industrial Realty Group (IRG) to reconfigure the grant monies and corresponding scope of work that will be done in transforming the former Thomson RCA site in Circleville into a certified Jobs Ready Site industrial park. P3 has secured a \$3.5 million JRS grant from the state that will provide roadwork and utilities improvements to the site and prepare it for future development. Construction began in the fall of 2015 with an anticipated completion date of fall 2016.

Southern Gateway Innovation Center – A \$500,000 appropriation was secured in the State of Ohio Capital Budget Bill to match the \$2.5 million federal grant that P3 helped Ohio Christian University secure for the construction of the Southern Gateway Innovation Center. This project presents an exciting opportunity to provide new resources for entrepreneurial support and small business development in Pickaway County. The Pickaway County Commissioners and the City of Circleville also pledged capital contributions to P3 for construction costs. Construction began in the fall of 2015 with an anticipated completion date of spring 2017.

Roundtown Trail – Work began on detailed design of the Roundtown Trail, a new 7,200 foot paved recreational trail that will connect the campuses of Ohio Christian University and Circleville City Schools with the Pickaway County YMCA in Circleville. P3 secured over \$500,000 in grant monies for the construction of the trail that will improve pedestrian safety and provide new recreational opportunities for students, residents and visitors to the area. With all environmental reviews completed and design complete, construction will begin in the summer of 2016.

Court Street Connector – Final approval was given by the Circleville City Council to move forward with a \$2.5 million roadwork project that will provide new connectivity between Circleville and the west-side retail shopping area along US 23. Completion is scheduled for summer of 2016.

Business Retention & Expansion

P3 is committed to providing support for existing industry in Pickaway County. 2015 saw a continuation of the trend from previous years with new investment and job creation by the major employers in the county.

Trimold, LLC - Trimold completed an expansion of its injection molding plant on Pittsburgh Road in Pickaway Township. 68,000 square feet of new facilities were added to help accommodate the significant growth Trimold has experienced over the last three years. Resurgence in the automotive sector has fueled the recent creation of over 130 new full-time jobs at Trimold. This project will position Trimold to sustain this growth and add capacity for future expansion.

Health Care Logistics – Health Care Logistics started a complete overhaul of their production and warehouse facility in Circleville. A new 58,000 square foot warehouse will be built and 80 new full-time jobs will be added over the next three years.

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

New Business Attraction

Collaborative planning and strategic investments in infrastructure and incentives have positioned Pickaway County to be the next growth frontier in the Columbus Region. P3 and its local government stakeholders are successfully competing and attracting new business investment in Pickaway County.

American Showa - American Showa, an auto parts manufacturer for Honda and other brands, selected Pickaway County to construct its new 340,000 square foot distribution center. The Rickenbacker Intermodal area of Harrison Township was chosen for this project over other competing locations around the state. Showa officials anticipate significant savings on their logistics costs by consolidating warehousing, shipping and receiving operation from across multiple locations into this new state of the art facility.

BASF – BASF built a new 420,000 square foot warehouse and logistics facility in the northern Pickaway County Rickenbacker Intermodal area. Approximately 50 new full-time jobs will be brought to Pickaway County as a result.

InnoPak – InnoPak leased approximately half of a new 486,000 square foot warehouse and logistics facility in the northern Pickaway County Rickenbacker Intermodal area. The food products packaging manufacturer will bring 40 new jobs to Pickaway County.

Sofidel – Sofidel, an Italian tissue paper products company, announced a \$300 million capital investment in a 1.7 million square foot facility to be built in Pickaway Township. 310 new full-time jobs averaging \$19.67/hour will comprise Phase 1 of the project. A potential second phase of investment could add another \$300 million investment and 300 more jobs over the next six years.

Chancellor Health Partners – A new \$12 million new private pay senior living community in Circleville with a mix of independent and assisted living options. 45 new full-time positions added.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report, request for additional financial information or about obtaining the separately issued financial statements of the County's component unit should be addressed to Melissa A. Betz, Pickaway County Auditor, 207 S. Court Street, Room 1, Circleville, Ohio 43113.

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Pickaway County, Ohio
Statement of Net Position
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Pickaway County Airport Authority
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$27,777,141	\$304,530	\$28,081,671	\$241,872
Cash and Cash Equivalents in Segregated Accounts	104,321	0	104,321	0
Materials and Supplies Inventory	337,924	0	337,924	0
Accrued Interest Receivable	29,715	0	29,715	0
Accounts Receivable	71,745	68,322	140,067	4,020
Loans Receivable	437,662	0	437,662	0
Internal Balance	57,718	(57,718)	0	0
Intergovernmental Receivable	3,467,448	32,196	3,499,644	0
Sales Taxes Receivable	1,347,361	0	1,347,361	0
Property Taxes Receivable	6,124,449	0	6,124,449	0
Payment in Lieu of Taxes Receivable	485,710	0	485,710	0
Special Assessments Receivable	49,010	0	49,010	0
Prepaid Items	95,146	0	95,146	0
Nondepreciable Capital Assets	731,102	13,964	745,066	218,036
Depreciable Capital Assets, Net	41,273,848	4,941,545	46,215,393	1,509,050
<i>Total Assets</i>	<u>82,390,300</u>	<u>5,302,839</u>	<u>87,693,139</u>	<u>1,972,978</u>
Deferred Outflows of Resources	<u>2,355,332</u>	<u>34,230</u>	<u>2,389,562</u>	<u>0</u>
Liabilities:				
Accounts Payable	296,249	0	296,249	35,598
Accrued Wages and Benefits	915,206	7,783	922,989	0
Contracts Payable	9,000	0	9,000	2,483
Intergovernmental Payable	170,081	4,224	174,305	0
Matured Compensated Absences	6,897	0	6,897	0
Accrued Interest Payable	12,221	6,672	18,893	0
<i>Long-Term Liabilities:</i>				
Due Within One Year	1,525,501	190,516	1,716,017	0
<i>Due In More Than One Year:</i>				
Net Pension Liability	12,963,270	215,470	13,178,740	0
Other Amounts Due in More than One Year	3,150,255	2,879,440	6,029,695	0
<i>Total Liabilities</i>	<u>19,048,680</u>	<u>3,304,105</u>	<u>22,352,785</u>	<u>38,081</u>
Deferred Inflows of Resources				
Property Taxes	5,883,601	0	5,883,601	0
Payment in Lieu of Taxes	242,855	0	242,855	0
Pension	240,587	2,048	242,635	0
Unavailable Interest Revenue	10,294	0	10,294	0
Deferred Inflows of Resources	<u>6,377,337</u>	<u>2,048</u>	<u>6,379,385</u>	<u>0</u>
Net Position:				
Net Investment in Capital Assets	38,764,845	1,885,553	40,650,398	1,727,086
<i>Restricted for:</i>				
Auto License and Gas Tax	2,325,965	0	2,325,965	0
Human Services	299,344	0	299,344	0
Developmental Disabilities	16,635,786	0	16,635,786	0
Debt Service	113,752	0	113,752	0
Capital Projects	0	0	0	4,534
Other Purposes	4,931,679	0	4,931,679	0
Unrestricted	(3,751,756)	145,363	(3,606,393)	203,277
<i>Total Net Position</i>	<u>\$59,319,615</u>	<u>\$2,030,916</u>	<u>\$61,350,531</u>	<u>\$1,934,897</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	\$5,821,383	\$2,501,970	\$50,234	\$0
Judicial	2,262,240	925,864	183,795	0
Public Safety	7,185,740	537,450	581,515	0
Public Works	5,508,157	337,494	5,092,899	450,000
Health	4,810,764	323,207	1,455,884	0
Human Services	7,097,949	436,147	5,618,952	0
Conservation and Recreation	372,755	0	0	0
Community and Economic Development	270,827	0	268,750	0
Interest and Fiscal Charges	135,481	0	0	0
<i>Total Governmental Activities</i>	<u>33,465,296</u>	<u>5,062,132</u>	<u>13,252,029</u>	<u>450,000</u>
Business-Type Activities:				
Countywide Sewer	476,265	496,604	0	0
Countywide Water	40,464	32,055	0	0
Instant Web Checks	45,609	33,885	0	0
<i>Total Business-Type Activities</i>	<u>562,338</u>	<u>562,544</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$34,027,634</u>	<u>\$5,624,676</u>	<u>\$13,252,029</u>	<u>\$450,000</u>
Component Units:				
Pickaway County Airport Authority	\$261,415	\$104,652	\$0	\$68,569
<i>Total Component Units</i>	<u>\$261,415</u>	<u>\$104,652</u>	<u>\$0</u>	<u>\$68,569</u>

General Revenues:

Property Taxes Levied for:

General Purposes

Health

Debt Service

Sales Tax for:

General Purposes

Capital Projects

Grants and Entitlements not Restricted to Specific Programs

Payment in Lieu of Taxes

Investment Earnings

Miscellaneous

Total General Revenues

Changes in Net Position

Net Position at Beginning of Year, As Restated (See Note 4)

Net Position at End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	Pickaway County Airport Authority
(\$3,269,179)	\$0	(\$3,269,179)	\$0
(1,152,581)	0	(1,152,581)	0
(6,066,775)	0	(6,066,775)	0
372,236	0	372,236	0
(3,031,673)	0	(3,031,673)	0
(1,042,850)	0	(1,042,850)	0
(372,755)	0	(372,755)	0
(2,077)	0	(2,077)	0
(135,481)	0	(135,481)	0
(14,701,135)	0	(14,701,135)	0
0	20,339	20,339	0
0	(8,409)	(8,409)	0
0	(11,724)	(11,724)	0
0	206	206	0
(14,701,135)	206	(14,700,929)	0
0	0	0	(88,194)
0	0	0	(88,194)
3,521,164	0	3,521,164	0
4,129,434	0	4,129,434	0
43,687	0	43,687	0
7,554,938	0	7,554,938	0
656,935	0	656,935	0
1,442,073	0	1,442,073	0
118,696	0	118,696	0
276,936	0	276,936	5,394
1,342,259	0	1,342,259	0
19,086,122	0	19,086,122	5,394
4,384,987	206	4,385,193	(82,800)
54,934,628	2,030,710	56,965,338	2,017,697
<u>\$59,319,615</u>	<u>\$2,030,916</u>	<u>\$61,350,531</u>	<u>\$1,934,897</u>

Pickaway County, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General	Auto, License and Gas Tax	Job and Family Services	Board of Developmental Disabilities
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$5,714,613	\$725,448	\$283,608	\$16,437,344
Cash and Cash Equivalents In Segregated Accounts	60,006	0	0	0
Materials and Supplies Inventory	40,281	292,435	5,208	0
Accounts Receivable	15,048	1,778	0	0
Loans Receivable	0	0	0	0
Accrued Interest Receivable	29,715	0	0	0
Interfund Receivable	200,443	1,894	90,266	0
Intergovernmental Receivable	441,839	1,653,904	183,607	303,616
Prepaid Items	36,077	0	34,505	23,742
Sales Taxes Receivable	1,286,891	0	0	0
Property Taxes Receivable	2,812,761	0	0	3,311,688
Payment in Lieu of Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$10,637,674</u>	<u>\$2,675,459</u>	<u>\$597,194</u>	<u>\$20,076,390</u>
Liabilities:				
Accounts Payable	\$81,114	\$32,366	\$6,061	\$52,784
Accrued Wages and Benefits	513,898	90,963	121,097	101,860
Contracts Payable	0	0	0	0
Intergovernmental Payable	21,442	0	0	17,591
Matured Compensated Absences	6,897	0	0	0
Interfund Payable	2,554	0	0	0
<i>Total Liabilities</i>	<u>625,905</u>	<u>123,329</u>	<u>127,158</u>	<u>172,235</u>
Deferred Inflows of Resources:				
Property Taxes	2,812,761	0	0	3,311,688
Payment in Lieu of Taxes	0	0	0	0
Special Assessments	0	0	0	0
Unavailable Grants Revenue	345,180	1,101,402	0	238,037
Unavailable Interest Revenue	10,294	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>3,168,235</u>	<u>1,101,402</u>	<u>0</u>	<u>3,549,725</u>
Fund Balances:				
Nonspendable	124,829	292,435	39,713	23,742
Restricted	0	1,158,293	430,323	16,330,688
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	6,718,705	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>6,843,534</u>	<u>1,450,728</u>	<u>470,036</u>	<u>16,354,430</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$10,637,674</u>	<u>\$2,675,459</u>	<u>\$597,194</u>	<u>\$20,076,390</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2015*

Other Governmental Funds	Total Governmental Funds	Total Governmental Funds Balances	\$30,369,575
\$4,616,128	\$27,777,141	<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
44,315	104,321	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,004,950
0	337,924		
54,919	71,745		
437,662	437,662		
0	29,715		
660	293,263		
884,482	3,467,448	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
822	95,146	Property Taxes	240,848
60,470	1,347,361	Payments in Lieu of Taxes	242,855
0	6,124,449	Special Assessments	49,010
485,710	485,710	Intergovernmental Revenue	1,948,879
49,010	49,010		
\$6,634,178	\$40,620,895	Total	2,481,592
\$123,924	\$296,249	In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds an interest expenditure is reported when due.	(12,221)
87,388	915,206		
9,000	9,000	Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds:	
131,048	170,081	General Obligation Notes	(841,256)
0	6,897	General Obligation Bonds	(2,095,615)
232,991	235,545	Loans Payable	(84,562)
584,351	1,632,978	OPWC Loans Payable	(179,262)
0	6,124,449	Special Assessment Bonds	(47,000)
485,710	485,710	Capital Leases Payable	(123,972)
49,010	49,010	Compensated Absences	(1,304,089)
264,260	1,948,879		
0	10,294	Total	(4,675,756)
798,980	8,618,342	The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
438,484	919,203	Deferred Outflows - Pension	2,355,332
3,908,810	21,828,114	Deferred Inflows - Pension	(240,587)
898,392	898,392	Net Pension Liability	(12,963,270)
16,167	16,167		
(11,006)	6,707,699	Total	(10,848,525)
5,250,847	30,369,575		
\$6,634,178	\$40,620,895	<i>Net Position of Governmental Activities</i>	\$59,319,615

Pickaway County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Auto, License and Gas Tax	Job and Family Services	Board of Developmental Disabilities
Revenues:				
Property Taxes	\$3,531,957	\$0	\$0	\$4,158,454
Sales Tax	7,554,938	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Special Assessments	0	0	0	0
Charges for Services	3,036,442	176,950	0	168,938
Licenses and Permits	49,306	0	0	0
Fines and Forfeitures	120,412	30	0	0
Intergovernmental	1,542,043	4,978,480	3,371,031	1,455,392
Interest	267,141	7,131	0	0
Rent	65,391	0	0	0
Other	265,231	194,214	112,301	233,870
<i>Total Revenues</i>	<u>16,432,861</u>	<u>5,356,805</u>	<u>3,483,332</u>	<u>6,016,654</u>
Expenditures:				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	4,465,495	0	0	0
Judicial	1,902,207	0	0	0
Public Safety	6,382,310	0	0	0
Public Works	188,018	5,153,943	0	0
Health	123,142	0	0	4,498,768
Human Services	706,818	0	3,583,130	0
Conservation and Recreation	369,618	0	0	0
Community and Economic Development	0	0	0	0
Capital Outlay	0	0	0	0
<i>Debt Service:</i>				
Principal Retirement	10,403	12,804	5,002	0
Interest and Fiscal Charges	3,380	0	140	0
<i>Total Expenditures</i>	<u>14,151,391</u>	<u>5,166,747</u>	<u>3,588,272</u>	<u>4,498,768</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,281,470</u>	<u>190,058</u>	<u>(104,940)</u>	<u>1,517,886</u>
Other Financing Sources (Uses):				
Inception of Capital Lease	10,525	0	0	0
Transfers In	0	0	0	0
Transfers Out	(517,788)	(166,738)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(507,263)</u>	<u>(166,738)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,774,207	23,320	(104,940)	1,517,886
<i>Fund Balances at Beginning of Year</i>	<u>5,069,327</u>	<u>1,427,408</u>	<u>574,976</u>	<u>14,836,544</u>
<i>Fund Balances at End of Year</i>	<u><u>\$6,843,534</u></u>	<u><u>\$1,450,728</u></u>	<u><u>\$470,036</u></u>	<u><u>\$16,354,430</u></u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015*

All Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$3,118,006
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:	
\$53,687	\$7,744,098	Capital Asset Additions	3,350,404
656,935	8,211,873	Depreciation	<u>(2,002,900)</u>
116,306	116,306		
96,634	96,634		
1,141,782	4,524,112		
0	49,306		
206,247	326,689		
3,947,202	15,294,148		
2,664	276,936		
0	65,391		
536,643	1,342,259		
<u>6,758,100</u>	<u>38,047,752</u>		
		Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(791,567)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
533,569	4,999,064	Property Taxes	(39,813)
349,698	2,251,905	Payments in Lieu of Taxes	2,390
767,111	7,149,421	Special Assessments	39,010
720,533	6,062,494	Intergovernmental Revenue	<u>(199,056)</u>
158,336	4,780,246		
2,891,685	7,181,633		
0	369,618		
270,827	270,827		
1,167,185	1,167,185		
621,127	649,336		
135,622	139,142		
<u>7,615,693</u>	<u>35,020,871</u>		
(857,593)	3,026,881		
		Repayment of principal of long-term liabilities (e.g. bonds, notes, leases) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	649,336
		Other financing sources in the governmental funds that increase long- term liabilities in the statement of net position are not reported as revenues in the statement of activities:	
		Inception of Capital Leases	(91,125)
		In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,661
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
80,600	91,125	Compensated Absences	62,823
684,526	684,526		
0	(684,526)		
<u>765,126</u>	<u>91,125</u>		
(92,467)	3,118,006		
5,343,314	27,251,569		
<u>\$5,250,847</u>	<u>\$30,369,575</u>		
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred inflows.	1,673,686
		Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	<u>(\$1,389,868)</u>
		<i>Changes in Net Position of Governmental Activities</i>	<u><u>\$4,384,987</u></u>

Pickaway County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$3,414,000	\$3,414,000	\$3,531,957	\$117,957
Sales Tax	7,100,000	7,100,000	7,474,332	374,332
Charges for Services	2,244,725	2,244,725	2,711,445	466,720
Licenses and Permits	52,350	52,350	49,306	(3,044)
Fines and Forfeitures	153,512	153,512	119,493	(34,019)
Intergovernmental	1,507,026	1,507,026	1,566,678	59,652
Interest	167,000	167,000	268,082	101,082
Rent	71,000	71,000	65,391	(5,609)
Other	122,500	122,500	210,338	87,838
<i>Total Revenues</i>	14,832,113	14,832,113	15,997,022	1,164,909
Expenditures:				
<i>Current:</i>				
<i>General Government:</i>				
Legislative and Executive	4,767,278	4,883,974	4,621,432	262,542
Judicial	1,753,212	1,840,201	1,699,576	140,625
Public Safety	6,287,066	6,244,535	6,094,725	149,810
Public Works	191,033	190,300	185,189	5,111
Health	129,066	130,627	125,117	5,510
Human Services	789,046	865,740	764,907	100,833
Conservation and Recreation	381,283	372,161	369,618	2,543
<i>Total Expenditures</i>	14,297,984	14,527,538	13,860,564	666,974
<i>Excess of Revenues Over Expenditures</i>	534,129	304,575	2,136,458	1,831,883
Other Financing Sources (Uses):				
Advances In	0	0	167,481	167,481
Advances Out	0	0	(142,430)	(142,430)
Transfers Out	(534,129)	(547,117)	(517,788)	29,329
<i>Total Other Financing Sources (Uses)</i>	(534,129)	(547,117)	(492,737)	54,380
<i>Net Change in Fund Balance</i>	0	(242,542)	1,643,721	1,886,263
<i>Fund Balance at Beginning of Year</i>	3,351,131	3,351,131	3,351,131	0
<i>Fund Balance at End of Year</i>	\$3,351,131	\$3,108,589	\$4,994,852	\$1,886,263

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auto, License and Gas Tax Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$145,000	\$145,000	\$176,934	\$31,934
Fines and Forfeitures	400	400	30	(370)
Intergovernmental	5,145,000	5,095,000	5,051,624	(43,376)
Interest	7,500	7,500	5,237	(2,263)
Other	0	50,000	192,436	142,436
<i>Total Revenues</i>	<u>5,297,900</u>	<u>5,297,900</u>	<u>5,426,261</u>	<u>128,361</u>
Expenditures:				
<i>Current:</i>				
Public Works	4,686,586	5,259,484	5,107,265	152,219
<i>Debt Service:</i>				
Principal Retirements	11,410	12,804	12,804	0
<i>Total Expenditures</i>	<u>4,697,996</u>	<u>5,272,288</u>	<u>5,120,069</u>	<u>152,219</u>
<i>Excess of Revenues Over Expenditures</i>	599,904	25,612	306,192	280,580
Other Financing (Uses):				
Transfers Out	(149,014)	(167,230)	(166,738)	492
<i>Total Other Financing (Uses)</i>	<u>(149,014)</u>	<u>(167,230)</u>	<u>(166,738)</u>	<u>492</u>
<i>Net Change in Fund Balance</i>	450,890	(141,618)	139,454	281,072
<i>Fund Balance at Beginning of Year</i>	577,687	577,687	577,687	0
<i>Prior Year Encumbrances Appropriated</i>	8,307	8,307	8,307	0
<i>Fund Balance at End of Year</i>	<u>\$1,036,884</u>	<u>\$444,376</u>	<u>\$725,448</u>	<u>\$281,072</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$3,596,897	\$3,596,897	\$3,539,974	(\$56,923)
Other	158,569	158,569	112,301	(46,268)
<i>Total Revenues</i>	<u>3,755,466</u>	<u>3,755,466</u>	<u>3,652,275</u>	<u>(103,191)</u>
Expenditures:				
<i>Current:</i>				
Human Services	3,446,832	3,849,466	3,597,338	252,128
<i>Total Expenditures</i>	<u>3,446,832</u>	<u>3,849,466</u>	<u>3,597,338</u>	<u>252,128</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	308,634	(94,000)	54,937	148,937
<i>Fund Balance at Beginning of Year</i>	<u>228,671</u>	<u>228,671</u>	<u>228,671</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$537,305</u></u>	<u><u>\$134,671</u></u>	<u><u>\$283,608</u></u>	<u><u>\$148,937</u></u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$4,166,000	\$4,166,000	\$4,158,454	(\$7,546)
Charges for Services	120,000	120,000	168,938	48,938
Intergovernmental	1,411,800	1,411,800	1,449,783	37,983
Other	66,500	66,500	233,870	167,370
<i>Total Revenues</i>	<u>5,764,300</u>	<u>5,764,300</u>	<u>6,011,045</u>	<u>246,745</u>
Expenditures:				
<i>Current:</i>				
Health	5,798,100	5,798,100	4,506,418	1,291,682
<i>Total Expenditures</i>	<u>5,798,100</u>	<u>5,798,100</u>	<u>4,506,418</u>	<u>1,291,682</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,800)	(33,800)	1,504,627	1,538,427
<i>Fund Balance Beginning of Year</i>	<u>14,932,717</u>	<u>14,932,717</u>	<u>14,932,717</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,898,917</u>	<u>\$14,898,917</u>	<u>\$16,437,344</u>	<u>\$1,538,427</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities		
	Countywide Sewer	Other Enterprise Funds	Total
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$269,294	\$35,236	\$304,530
Accounts Receivable	68,322	0	68,322
Intergovernmental Receivable	32,196	0	32,196
<i>Total Current Assets</i>	<u>369,812</u>	<u>35,236</u>	<u>405,048</u>
<i>Noncurrent Assets:</i>			
Nondepreciable Capital Assets	13,964	0	13,964
Depreciable Capital Assets, Net	3,925,868	1,015,677	4,941,545
<i>Total Noncurrent Assets</i>	<u>3,939,832</u>	<u>1,015,677</u>	<u>4,955,509</u>
<i>Total Assets</i>	<u>4,309,644</u>	<u>1,050,913</u>	<u>5,360,557</u>
Deferred Outflows of Resources	34,230	0	34,230
Liabilities:			
<i>Current Liabilities:</i>			
Accrued Wages and Benefits	7,458	325	7,783
Intergovernmental Payable	0	4,224	4,224
Accrued Interest Payable	6,658	14	6,672
Interfund Payable	27,474	30,244	57,718
Notes Payable	0	6,143	6,143
OPWC Loans Payable	28,256	10,628	38,884
OWDA Loans Payable	145,489	0	145,489
<i>Total Current Liabilities</i>	<u>215,335</u>	<u>51,578</u>	<u>266,913</u>
<i>Long-Term Liabilities:</i>			
Notes Payable (net of current portion)	0	59,126	59,126
OPWC Loans Payable	378,769	90,338	469,107
OWDA Loans Payable	2,351,207	0	2,351,207
Net Pension Liability	215,470	0	215,470
<i>Total Long-Term Liabilities</i>	<u>2,945,446</u>	<u>149,464</u>	<u>3,094,910</u>
<i>Total Liabilities</i>	<u>3,160,781</u>	<u>201,042</u>	<u>3,361,823</u>
Deferred Inflows of Resources	2,048	0	2,048
Net Position:			
Net Investment in Capital Assets	1,036,111	849,442	1,885,553
Unrestricted	144,934	429	145,363
<i>Total Net Position</i>	<u>\$1,181,045</u>	<u>\$849,871</u>	<u>\$2,030,916</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015*

	Business - Type Activities		
	Countywide Sewer	Other Enterprise Funds	Total
Operating Revenues:			
Charges for Services	\$496,604	\$65,940	\$562,544
<i>Total Operating Revenues</i>	<u>496,604</u>	<u>65,940</u>	<u>562,544</u>
Operating Expenses:			
Personal Services	92,083	4,621	96,704
Fringe Benefits	111,990	721	112,711
Contractual Services	183,521	48,600	232,121
Materials and Supplies	3,941	1,036	4,977
Depreciation	64,424	20,643	85,067
Other	0	6,994	6,994
<i>Total Operating Expenses</i>	<u>455,959</u>	<u>82,615</u>	<u>538,574</u>
<i>Operating Income (Loss)</i>	<u>40,645</u>	<u>(16,675)</u>	<u>23,970</u>
Nonoperating Expenses:			
Interest and Fiscal Charges	(20,306)	(3,458)	(23,764)
<i>Total Non-Operating Expenses</i>	<u>(20,306)</u>	<u>(3,458)</u>	<u>(23,764)</u>
<i>Change in Net Position</i>	20,339	(20,133)	206
<i>Net Position at Beginning of Year</i>	<u>1,160,706</u>	<u>870,004</u>	<u>2,030,710</u>
<i>Net Position at End of Year</i>	<u>\$1,181,045</u>	<u>\$849,871</u>	<u>\$2,030,916</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business - Type Activities		
	Countywide Sewer	Other Enterprise Funds	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$464,657	\$65,940	\$530,597
Cash Payments to Employees for Services and Benefits	(104,285)	(5,185)	(109,470)
Cash Payments for Goods and Services	(3,941)	(1,036)	(4,977)
Cash Payments for Contract Services	(183,883)	(35,092)	(218,975)
Cash Payments for Other Expenses	0	(6,994)	(6,994)
<i>Net Cash from Operating Activities</i>	<u>172,548</u>	<u>17,633</u>	<u>190,181</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Paid on Notes and Loans	(173,349)	(16,538)	(189,887)
Interest Paid on Notes	(13,648)	(3,460)	(17,108)
<i>Net Cash from Capital and Related Financing Activities</i>	<u>(186,997)</u>	<u>(19,998)</u>	<u>(206,995)</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(14,449)	(2,365)	(16,814)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>283,743</u>	<u>37,601</u>	<u>321,344</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$269,294</u>	<u>\$35,236</u>	<u>\$304,530</u>

See accompanying notes to the basic financial statements.

(Continued)

Pickaway County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(continued)

	Business - Type Activities		
	Countywide Sewer	Other Enterprise Funds	Total
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating Income (Loss)	\$40,645	(\$16,675)	\$23,970
<i>Adjustments:</i>			
Depreciation	64,424	20,643	85,067
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	249	0	249
Intergovernmental Receivable	(32,196)	0	(32,196)
Deferred Outflows of Resources	(21,375)	0	(21,375)
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	(162)	0	(162)
Accrued Wages and Benefits	2,394	157	2,551
Intergovernmental Payable	(200)	2,823	2,623
Interfund Payable	0	10,685	10,685
Net Pension Liability	116,721	0	116,721
Deferred Inflows of Resources	2,048	0	2,048
<i>Net Cash from Operating Activities</i>	<u>\$172,548</u>	<u>\$17,633</u>	<u>\$190,181</u>

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$1,194	\$4,299,500
Cash and Cash Equivalents in Segregated Accounts	0	475,766
Accounts Receivable	0	19,278
Intergovernmental Receivable	0	3,989,622
Property Taxes Receivable	0	47,416,387
	0	47,416,387
<i>Total Assets</i>	1,194	\$56,200,553
Liabilities:		
Accounts Payable	0	15,084
Accrued Wages and Benefits	0	44,823
Intergovernmental Payable	0	55,503,291
Compensated Absences Payable	0	29,086
Deposits Held and Due To Others	0	552,077
Undistributed Monies	0	56,192
	0	56,192
<i>Total Liabilities</i>	0	\$56,200,553
Net Position:		
Held in Trust for Other Individuals and Organizations	1,194	
<i>Total Net Position</i>	\$1,194	

See accompanying notes to the basic financial statements.

Pickaway County, Ohio
Statement of Changes in Fund Net Position
Fiduciary Fund
For the Year Ended December 31, 2015

	<u>Private Purpose Trust</u>
Additions	\$0
Deductions	
Miscellaneous	<u>0</u>
<i>Change in Net Position</i>	0
<i>Net Position at Beginning of Year</i>	<u>1,194</u>
<i>Net Position at End of Year</i>	<u><u>\$1,194</u></u>

See accompanying notes to the basic financial statements.

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

NOTE 1 - DESCRIPTION OF PICKAWAY COUNTY AND REPORTING ENTITY

Pickaway County, Ohio (the County), was created in 1810. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, Probate Court Judge and a Common Pleas Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Pickaway County, this includes the Pickaway County Board of Developmental Disabilities, Pickaway County Child Support Enforcement Agency, Pickaway County Job and Family Services, Pickaway County Veteran Services and 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 for which the County approves the budget, the issuance of debt or levying of taxes.

Discretely Presented Component Unit

The component unit column in the basic financial statements identifies the financial data of the County's component unit, Pickaway County Airport Authority. The Authority is reported separately to emphasize that it is legally separate from the County.

Pickaway County Airport Authority - Pickaway County Airport Authority (the Authority) operates on a fiscal year ending December 31. The five member Board for the Authority is appointed by the County Commissioners. The Commissioners also review the budget and have the ability to impose its will on the Authority. Pickaway County provides utilities and insurance for the Authority. During 2015, the County made no financial contributions either to or on behalf of the Authority. Financial information is included in the accompanying financial statements.

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

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

The County is associated with certain organizations that are defined as jointly governed organizations or related organizations. These organizations are presented in Notes 20 and 21 to the basic financial statements. These organizations are:

- Berger Hospital
- Paint Valley Mental Health Alcohol and Drug Addiction Board
- Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District
- County Risk Sharing Authority (CORSA)
- Southern Ohio Council of Governments
- Pickaway County Park District
- Pickaway County District Public Library

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 districts listed below, the County serves as fiscal agent, but the districts are not fiscally dependent on the County. Accordingly, the activity of the following districts is presented as agency funds within the County's financial statements.

- Pickaway County Family and Children First Council
- Soil and Water Conservation District
- Pickaway County Health District
- Pickaway County Park District
- Ross, Pickaway, Highland, Fayette Joint Solid Waste District

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government and component units, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The statement of net position presents the financial condition of the governmental and business-type activities and the component unit of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for business-type activities and component units of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

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

B. Fund Accounting

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

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

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

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

Job and Family Services Fund - This fund accounts for various Federal and State grants, as well as transfers from the General Fund that are used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Board of Developmental Disabilities Fund - This fund accounts for the operation of a school, workshop and resident homes for the developmentally disabled. Revenue sources include a County-wide property tax levy and Federal and State grants.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The County has no internal service fund.

Countywide Sewer Fund - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Countywide Sewer Fund accounts for sewer services provided to individual users in several subdivisions of the County.

The Countywide Water Fund accounts for water services provided to individual users in subdivisions of the County. The Sheriff web check fund accounts for criminal background check services completed by the Sheriff's office for area businesses and governments.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's fiduciary funds are a private-purpose trust fund and agency funds. The County's private-purpose trust fund is established to account for assets that are used by the Juvenile Court for the benefit of the children of the County. The County's agency funds account for assets held for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures that have been collected and which will be distributed to other political subdivisions.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the County are included on the statement of net position.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 12). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, revenue sources considered to be both measurable and available at year-end include delinquent property taxes, sales taxes, charges for services and fees, fines and forfeitures, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), and grants.

Deferred Outflows and Deferred Inflows of Resources - - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide Statement of Net Position and include pension expense. A deferral for pension results from changes in Net Pension Liability not recognized as a component of current year pension expense. This amount is deferred and amortized over various periods as instructed by the pension plan administrators. Deferred outflows of resources related to pensions are explained further in Note 16.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. The County reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the County these amounts consist of intergovernmental receivables, delinquent property taxes receivable which are not collected in the available period and pension. Property taxes for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance fiscal year 2016 operations, have been recorded as deferred inflows of resources. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes receivable and grants and entitlements not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Additionally, deferred inflows related to pensions are reported in the government-wide Statement of Net Position. Deferred inflows related to pensions result from changes in Net Pension Liability not recognized as a component of current year pension expense. Deferred inflows of resources related to pension are explained further in Note 16.

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

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

E. Budgetary Process

All funds, except Jail Commissary (non-major special revenue), Law Enforcement - Prosecutor (non-major special revenue) and fiduciary funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The level of control has been established by County Commissioners at the object level within each department. Advances between funds are not required to be budgeted.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original certificate of estimated resources was adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2015. The County does not include advances between funds in the certificate of estimated resources.

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.

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

F. Cash, Cash Equivalents, and Investments

To improve cash management, cash and investments received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

Cash and cash equivalents that are held separately with the departments of the County, and not included in the County Treasury, are recorded as "cash and cash equivalents in segregated accounts".

During 2015, investments were limited to STAR Ohio, U.S. Government Securities, certificates of deposits, and other interest bearing accounts with local commercial banks.

Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2015.

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2015 amounted to \$267,141 which includes \$219,286 assigned from other County funds.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads, bridges, culverts and sanitary sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	40-150 years	N/A
Improvements Other Than Buildings	40-150 years	N/A
Machinery and Equipment	3-25 years	N/A
Furniture and Fixtures	10-30 years	N/A
Vehicles	3-15 years	N/A
Plant and Facilities	N/A	40-150 years
Infrastructure	10-60 years	70 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balance. As of December 31, 2015, there was \$57,718 internal balances reported on the statement of net position.

K. Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable will become eligible to receive payment in the future. The County has determined that employees with the County for ten or more years are probable to receive payment in the future. The liability is based on accumulated sick leave and employees' wage rates at year end.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and addition 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.

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability on the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term notes are recognized as a liability in the governmental fund financial statements when due.

N. Fund Balance Reserves

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assigned – amounts constrained by the County’s “intent” to be used for specific purposes, but are neither restricted nor committed. The County Commissioners have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the County considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners have provided otherwise in their commitment or assignment actions.

O. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The County’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for sewer services and charges for background checks. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Q. Interfund Transactions

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. During 2015, the County reported neither type of transaction.

S. Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budget basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) is presented for the General Fund and major special revenue funds on the budget basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and modified accrual GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance.
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budget basis statements for the General Fund and major special revenue funds:

Net Change in Fund Balances (Deficits)/Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	General	Auto, License and Gas Tax	Job and Family Services	Board of Developmental Disabilities
GAAP Basis	\$1,774,207	\$23,320	(\$104,940)	\$1,517,886
Adjustments:				
Net Adjustment for Revenue Accruals	103,809	69,456	168,943	(5,609)
Net Adjustment for Expenditure Accruals	(146,949)	46,678	(9,066)	(7,650)
Net Adjustment for Other Sources (Uses)	14,526	0	0	0
Perspective Difference:				
Activity of Funds Reclassified For GAAP Reporting Purposes	(101,872)	0	0	0
Budget Basis	\$1,643,721	\$139,454	\$54,937	\$1,504,627

NOTE 4 – NEW GASB PRONOUNCEMENTS

For 2015, the County implemented the 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.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-Type Activities
Net Position - December 31, 2014	\$66,066,971	\$2,116,604
<i>Adjustments:</i>		
Net Pension Liability	(12,732,246)	(98,749)
Deferred Inflows	(36,917)	0
Deferred Outflows	1,636,820	12,855
Restated Net Position - December 31, 2014	\$54,934,628	\$2,030,710

Other than employer contributions subsequent to the measurement date, the County made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available for the Ohio Public Employees Retirement System. The necessary information was available for the State Teachers Retirement System of Ohio; therefore, the appropriate restatements were made for that program.

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

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS

Monies held in the County Treasury are pooled for the purpose of investment management. The County is authorized to invest in those instruments identified in section 135.35 of the Ohio Revised Code. Specifically, these authorized instruments consist of:

1. United States treasury notes, bills, bonds or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon security that is a direct obligation of the United States.
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, 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 provide that the fair 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 fair value daily, and that the term of the agreement must not exceed thirty days.
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County.
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 investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAROhio).
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. Up to 25 percent of the County's total average portfolio in either (a) high grade commercial paper when the aggregate value of the notes does not exceed 10 percent of the aggregate value of the outstanding commercial paper of the issuing corporation, and the notes mature no later than 270 days after purchase or (b) bankers acceptances of banks insured by the FDIC when the obligations are eligible for purchase by the Federal Reserve System and mature no later than 180 days after purchase.
10. Up to 15 percent of the County's total average portfolio in high grade notes issued by the U.S. corporations, and the notes mature no later than two years after purchase.
11. High grade debt interests issued by foreign nations diplomatically recognized by the U.S. government. All interest and principal shall be denominated and payable in U.S. Funds. In the aggregate, this investment shall not exceed 1 percent of the County's total average portfolio and shall mature no later than five years after purchase.

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

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, except for federally issued or federally guaranteed 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 will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public funds on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name. During the year 2015, the County complied with the provisions of these statutes.

The amounts available for deposit and investment are as follows:

Cash and Cash Equivalents: (carrying amounts)	
-Pooled	\$32,382,365
-Segregated	580,087
-Component Unit	241,872
Reconciling items (net) to arrive at bank balances	<u>1,224,041</u>
Total available for deposits and investments (Bank balance of deposit/carrying amount of investments)	<u><u>\$34,428,365</u></u>

The following information is presented in accordance with GASB Statement No. 40, "Deposit and Investment Risk Disclosures." Additional disclosures for the component units are presented below in note 5.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

As of December 31, 2015, the carrying amount of all County deposits was \$16,009,059. Based on the criteria described in GASB Statement No. 40, \$15,914,926 of the County's bank balance of \$17,233,100 was exposed to custodial risk as discussed above while \$1,318,174 was covered by FDIC. The \$15,914,926 exposed to custodial risk was uninsured, and collateral was held by pledging banks trust department but not in the County's name.

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

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk - The County's policy requires that deposits follow the Ohio Revised Code.

Investments

As of December 31, 2015 the County had the following investments and maturities:

Investment Type	Fair Value	Investment In Maturities in Years		
		Less Than One Year	1-2 Years	3-5 Years
U.S. Government Securities	\$17,136,653	\$250,090	\$5,737,368	\$11,149,195
STAROhio	251	251	0	0
Total Investments	\$17,136,904	\$250,341	\$5,737,368	\$11,149,195

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County limits investment portfolio matures to five years or less.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County limits its investments to those authorized by State statute. Standard and Poor's has assigned a rating of "AAAm" to STAROhio and "AA+" to U.S. Government Securities.

Custodial Credit Risk - For investments, custodial credit risk is the risk that, in event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The County's policy provides that investments be held in the County's name. All of the County's investments are held in the County's name.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The County's investments in U.S. Government Securities and the STAROhio account were 99.9% and 0.1%, respectively, of the County's total investments.

Component Unit

Deposits and Investments

Cash and cash equivalents held by Pickaway County Airport Authority are classified as "cash and cash equivalents."

At year end, the carrying amount of the Pickaway County Airport Authority deposits was \$241,872 and the bank balance was \$241,872. The \$241,872 bank balance was covered by federal depository insurance.

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

NOTE 6 - INTERFUND TRANSACTIONS

Interfund balances at December 31, 2015, consist of the following receivables and payables:

	Interfund Receivables	Interfund Payables
General	\$200,443	\$2,554
Auto, License and Gas Tax	1,894	0
Job and Family Services	90,266	0
Countywide Sewer	0	27,474
Nonmajor Special Revenue Funds	660	232,991
Nonmajor Enterprise Funds	0	30,244
Totals	\$293,263	\$293,263

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

A summary of interfund transfers for 2015 were as follows:

	Transfers In	Transfers Out
General	\$0	\$517,788
Auto, License and Gas Tax	0	166,738
Nonmajor Other Governmental Funds	684,526	0
Totals	\$684,526	\$684,526

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2015 consisted of property taxes, sales taxes, accounts (billings for user charged services), interest, special assessments and intergovernmental grants. All receivables are considered fully collectible.

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

NOTE 7 - RECEIVABLES (Continued)

A summary of the principal items of intergovernmental receivable follows:

Governmental Activities	
<i>General Fund:</i>	
Local Government Distributions	\$266,411
State Property Tax Reimbursements	175,428
Total General Fund	441,839
<i>Auto, License and Gas Tax Fund:</i>	
Motor Vehicle License Tax	552,502
Gasoline Tax	1,101,402
Total Auto, License and Gas Tax Fund	1,653,904
<i>Job and Family Services Fund:</i>	
State and Federal Funding	183,607
<i>Board of Developmental Disabilities Fund:</i>	
State Property Tax Reimbursements	230,013
Grants	73,603
Total Board of Developmental Disabilities Fund	303,616
<i>Non Major Special Revenue Funds:</i>	
Motor Vehicle Permissive Tax	212,466
Road and Bridge	2,323
Child Support Enforcement Agency	242,080
Probate	14
Probate Computer	572
Special Marriage License	238
Juvenile Computer	380
Youth Services Subsidy Grant	44,425
VOCA Grant	4,855
Crime Victims Assistance	105,185
Planning Grant Community Corrections	5,292
Emergency Management	4,557
HUD Grants	133,500
Law Library	4,864
COPS Grant	14,268
Workforce Development	55,567
SPL Grant	2,820
Community Correction Grant	44,345
Total Non Major Special Revenue Funds	877,751
<i>Non Major Capital Projects Fund:</i>	
Capital Improvement	6,731
Total Intergovernmental Receivable	\$3,467,448

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

NOTE 8- CAPITAL ASSETS

A summary of changes in general capital assets during 2015 were as follows:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$731,102	\$0	\$0	\$731,102
Total Nondepreciable Capital Assets	731,102	0	0	731,102
<i>Depreciable Capital Assets:</i>				
Buildings	20,944,838	0	0	20,944,838
Improvements Other Than Buildings	1,633,982	0	0	1,633,982
Machinery and Equipment	7,263,017	634,775	(618,345)	7,279,447
Furniture and Fixtures	967,357	0	0	967,357
Vehicles	3,793,576	413,953	(721,756)	3,485,773
Infrastructure	39,766,353	2,301,676	(137,444)	41,930,585
Total Depreciable Capital Assets	74,369,123	3,350,404	(1,477,545)	76,241,982
<i>Accumulated Depreciation:</i>				
Buildings	(3,866,453)	(141,652)	0	(4,008,105)
Improvements Other Than Buildings	(629,973)	(111,024)	0	(740,997)
Machinery and Equipment	(5,538,684)	(306,434)	267,458	(5,577,660)
Furniture and Fixtures	(728,160)	(30,663)	0	(758,823)
Vehicles	(2,888,203)	(180,602)	281,076	(2,787,729)
Infrastructure	(19,999,739)	(1,232,525)	137,444	(21,094,820)
Total Accumulated Depreciation	(33,651,212)	(2,002,900)	685,978	(34,968,134)
Total Depreciable Capital Assets, Net	40,717,911	1,347,504	(791,567)	41,273,848
Governmental Activities Capital Assets, Net	\$41,449,013	\$1,347,504	(\$791,567)	\$42,004,950

At December 31, 2015, capital assets include \$122,713 of machinery and equipment under capitalized leases.

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

NOTE 8- CAPITAL ASSETS *(Continued)*

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

Governmental Activities	
<i>General Government:</i>	
Legislative and Executive	\$205,031
Judicial	17,569
Public Safety	237,528
Public Works	1,434,370
Health	36,090
Human Services	69,175
Conservation and Recreation	3,137
Governmental Activities Depreciation Expense	\$2,002,900

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$13,964	\$0	\$0	\$13,964
Total Nondepreciable Capital Assets	13,964	0	0	13,964
<i>Depreciable Capital Assets:</i>				
Plant and Facilities	801,966	0	0	801,966
Infrastructure	5,359,658	0	0	5,359,658
Total Depreciable Capital Assets	6,161,624		0	6,161,624
<i>Accumulated Depreciation:</i>				
Plant and Facilities	(512,716)	(8,500)	0	(521,216)
Infrastructure	(622,296)	(76,567)	0	(698,863)
Total Accumulated Depreciation	(1,135,012)	(85,067)	0	(1,220,079)
Depreciable Capital Assets, Net	5,026,612	(85,067)	0	4,941,545
Business-Type Activities Capital Assets, Net	\$5,040,576	(\$85,067)	\$0	\$4,955,509

The business-type activities of the County are the sewer operations and water operations at various subdivisions throughout the County.

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

NOTE 9 - LONG-TERM OBLIGATIONS

The County's long-term obligations activity for the year ended December 31, 2015, was as follows:

Purpose	Restated Outstanding January 1, 2015	Additions	Deletions	Outstanding December 31, 2015	Amounts Due Within One Year
Governmental Activities:					
<i>General Obligation Notes Payable:</i>					
TIF Note – Crites Rd/Progress Parkway 2012-2017 1.50%	\$600,000	\$0	\$200,000	\$400,000	\$200,000
Engineer's Note – Hydraulic Excavator 2013-2017 3.00%	100,447	0	32,502	67,945	32,502
Engineer's Note – Dump Trucks 2014-2018 2.70%	497,834	0	124,523	373,311	121,119
<i>General Obligation Bonds Payable:</i>					
Energy Saving Renovation Bonds 2010-2025 3.920%	2,280,615	0	185,000	2,095,615	195,000
OPWC Loan 2009-2029 0%	192,066	0	12,804	179,262	12,804
Clark's Run Ditch Loan 2012-2017 2.50%	107,285	0	35,412	71,873	35,412
Pence Tile Ditch Improvement Loan 2012-2017 2.50%	19,050	0	6,361	12,689	6,361
<i>Special Assessment Bonds with Governmental Commitment:</i>					
Northwood Park Sanitary Sewer Improvement 1999-2019 6.00%	57,000	0	10,000	47,000	10,000
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,366,912	1,303,001	1,365,824	1,304,089	872,768
Capital Leases	75,581	91,125	42,734	123,972	39,535
<i>Net Pension Liability:</i>					
OPERS	12,561,369	192,191	0	12,753,560	0
STRS	170,877	38,833	0	209,710	0
Total Net Pension Liability	12,732,246	446,544	0	12,963,270	0
Governmental Activities Long-Term Obligations	\$18,127,785	\$1,741,871	\$2,015,160	\$17,639,029	\$1,525,501

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

NOTE 9 - LONG-TERM OBLIGATIONS *(Continued)*

Business - Type Activities:

General Obligation Notes Payable:

Orient Water Tower					
2014-2024 4.00%	\$71,179	\$0	\$5,910	\$65,269	\$6,143
Net Pension Liability:					
OPERS	98,749	116,721	0	215,470	0
Business-Type Activities Long-Term Obligations	\$169,928	\$116,721	\$5,910	\$280,739	\$6,143

The 2012 Tax Increment Financing (TIF) Note was issued for \$1,000,000 with a 1.50% interest rate. This note was issued to construct the extension of Crites Road and create a new road called Progress Parkway. This note will be repaid through Tax Increment Financing Debt Service Fund.

The Engineer's Note Hydraulic Excavator was issued in 2013 for \$132,000 with a 3.00% interest rate. This note was issued for the purchase of a Hydraulic Excavator. This note will be paid by the Engineer's Note Debt Service Fund.

The Engineer's Note Dump Trucks was issued in 2014 for \$497,834 with a 2.70% interest rate. This note was issued for the purchase of three Dump Trucks with snow plows. This note will be paid by the Engineer's Note Debt Service Fund.

The Energy Saving Renovation Bonds were issued in 2010 for \$2,995,615 with a 3.920% interest rate. These bonds are issued for renovations of all County buildings for energy savings. These bonds will be repaid through the Energy Savings Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan is related to the Cromley Road Bridge Replacement Project. The loan will be paid in bi-annual installments of \$6,402, over 20 years. The debt is to be repaid from the Auto, License and Gas Tax Fund. This loan is to be a zero percentage interest rate for the life of the loan. This loan was issued in 2010 for \$256,088.

The Clark's Run Ditch Loan was issued in 2012 for \$176,226 with a 2.50% interest rate. This note was issued for the Clark's Run Ditch Project. This note will be paid by the Clark's Run Ditch Debt Service Fund.

The Pence Tile Ditch Improvement Project was issued in 2012 for \$30,984 with a 2.50% interest rate. This note was issued for the Pence Tile Ditch Improvement Project. This note will be paid by the Pence Tile Ditch Debt Service Fund.

The Northwood Park Sanitary Sewer Improvement Bonds were issued in 1999 for \$157,160 with a 6.00% interest rate. The Northwood Park Sanitary Sewer Improvement Bonds were issued to finance improvements to the sewer system for the Northwood Park subdivision. These bonds will be repaid through the collection of special assessments on the benefitting property owners in the debt service funds. The County is obligated to the extent of the remaining balance, if the property owners were to default.

The Orient Water Tower note was issued in 2014 for \$74,984 with a 4.00% interest rate. This note was issued to repair the water tower near the Village of Orient. This note will be repaid from the Orient Water Enterprise Fund.

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

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The compensated absences liability will be paid from the fund from which the employees are paid. The capital leases will be repaid through the General Fund, Job and Family Service Fund and other nonmajor special revenue funds. The amount of principal payments on the capital leases paid in 2015 amounted to \$42,734.

The following is a summary of the County's future principal and interest requirements for governmental long-term obligations, including \$657,356 of interest:

For the Year Ended December 31	Engineer's Note Hydraulic Excavator	Engineer's Note Dump Trucks	TIF - Crites Rd/ Progress Parkway	Clarks Run Ditch Loan	Pence Tile Ditch Improvement Loan
2016	\$35,513	\$131,225	\$205,250	\$37,729	\$6,631
2017	35,513	131,226	202,250	37,647	6,630
2018	0	131,225	0	0	0
Totals	<u>\$71,026</u>	<u>\$393,676</u>	<u>\$407,500</u>	<u>\$75,376</u>	<u>\$13,261</u>

For the Year Ended December 31	Energy Saving Renovation Bonds	OPWC Loan	Northwood Park Sanitary Sewer Improvement Bonds	Totals
2016	\$298,117	\$12,805	\$13,820	\$741,090
2017	295,473	12,804	13,160	734,703
2018	290,441	12,805	13,500	447,971
2019	284,683	12,804	13,780	311,267
2020	276,777	12,805	0	289,582
2021-2025	1,259,571	64,022	0	1,323,593
2026-2030	0	51,217	0	51,217
Totals	<u>\$2,705,062</u>	<u>\$179,262</u>	<u>\$54,260</u>	<u>\$3,899,423</u>

The following is a summary of the County's future principal and interest requirements for business-type long-term obligations, including \$12,572 of interest:

For the Year Ended December 31,	Orient Water Tower
2016	\$8,649
2017	8,649
2018	8,649
2019	8,649
2020	8,649
2021-2025	34,596
Totals	<u>\$77,841</u>

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

In April 2008, Pickaway County signed a guarantee for a \$500,000 loan through the Rural Industrial Park Loan Program offered through the Ohio Department of Development. The loan is the primary responsibility of Pickaway Progress Partnership or P³, the area's community improvement corporation. However in the event that P³ would default on the loan, the Ohio Department of Development would first try to sell the property and building. If a sale does not occur, the loan would then be the responsibility of the Village of Ashville and Pickaway County. The Village of Ashville would be obligated to a maximum of \$20,000 annually and the remainder would be the responsibility of Pickaway County. The loan is for fifteen years with a balance of \$412,571 existing at December 31, 2015. Interest accrues at a rate of 3% plus a service fee of 0.25%.

NOTE 10 - LOANS PAYABLE

The County's loan transactions for the year ending December 31, 2015, were as follows:

Purpose	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015	Amount Due Within One Year
Business - Type Activities:					
<i>OPWC Loans</i>					
Darby Twp. Sewer Improvement, 0%	\$200,000	\$0	\$20,000	\$180,000	\$20,000
Derby Area Sanitary Sewer, 0%	235,281	0	8,256	227,025	8,256
Orient Water Improvement, 0%	111,594	0	10,628	100,966	10,628
<i>OWDA Loans Payable</i>					
Darby Twp. Sewer Improvement, 0%	1,267,036	0	105,586	1,161,450	105,586
Derby Area Sanitary Sewer, 1%	1,374,753	0	39,507	1,335,246	39,903
Business - Type Activities Loan Payable	\$3,188,664	\$0	\$183,977	\$3,004,687	\$184,373

The first Ohio Public Works Commission (OPWC) Loan is related to improvements to the Darby Township Sanitary Sewer System. The loan will be paid in bi-annual installments of \$10,000, over 20 years. The debt is to be repaid by user charges to consumers that use the system. This loan is to be a zero percentage interest rate for the life of the loan. This loan was issued in 2005 for \$400,000.

The second Ohio Public Works Commission (OPWC) Loan is related to the Derby Area Sanitary Sewer Project. The OPWC has granted a loan in the amount of \$400,000 for this project. The loan is to be repaid in bi-annual installments of \$4,128 effective January 1, 2014 over 30 years with the final installment payable on July 1, 2043. The debt is repaid by user charges to consumers that use the system. The County must set rates in an amount that guarantees repayment of the debt.

The third Ohio Public Works Commission (OPWC) Loan is related to the County takeover of the Village of Orient water in 2014. The loan will be paid in bi-annual installments of \$5,314, over 20 years. The debt is to be repaid by user charges to consumers that use the system. This loan is to be a zero percentage interest rate for the life of the loan. This loan was issued in 2006 to the Village of Orient for \$212,560.

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

NOTE 10 - LOANS PAYABLE

The first Ohio Water Development Authority (OWDA) Loan is related to improvements to the Darby Township Sanitary Sewer System. The OWDA has granted an original loan amount of \$1,624,478 and a supplementary loan amount of \$487,248, for a maximum loan amount of \$2,111,726 for this project. The loan will be repaid in semi-annual installments of \$52,793 effective July 1, 2007, over 20 years for the original loan amount with the final installment payable on January 1, 2027. The debt is repaid by user charges to consumers that use the system. The County must set rates in an amount that guarantees repayment of the debt.

The second Ohio Water Development Authority (OWDA) Loan is related to the Derby Area Sanitary Sewer. The OWDA has granted a loan in the amount of \$1,352,366 for this project. The loan will be repaid in semi-annual installments of \$26,578 effective July 01, 2015, over 30 years for the original loan amount with the final installment payable on January 1, 2045. The debt is repaid by user charges to consumers that use the system. The County must set rates in an amount that guarantees repayment of the debt.

The effects of the debt limitations at December 31, 2015, were an overall legal debt margin of \$29,559,235 and an unvoted legal debt margin of \$13,722,772.

NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

The following is a schedule of the future minimum lease payments under lease obligations which have been capitalized as of December 31, 2015.

For the Year Ended December 31,	Capital Lease Obligations
2016	\$45,701
2017	41,749
2018	40,222
2019	8,117
2020	795
Total Minimum Lease Payments	136,584
Less: Amount Representing Interest	12,612
Present Value of Minimum Lease Payments	\$123,972

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

NOTE 12 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility personal property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2011. Real property taxes are payable annually or semiannually. The first payment is due February 15, with the remainder payable by July 18.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property currently is assessed at varying percentage of true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes that were measurable and unpaid as of December 31, 2015. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2015 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 2015, was \$3 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
<i>Real Estate:</i>	
Agriculture	\$359,730,470
Residential	720,771,900
Commercial	94,362,680
Industrial	23,498,220
Minerals	897,720
Public Utilities	21,674,070
<i>Personal Property:</i>	
Public Utilities	151,342,120
Total Assessed Values	<u><u>\$1,372,277,180</u></u>

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

NOTE 13 - PERMISSIVE SALES TAX

In 1988, in accordance with Sections 5739.02 and 5741.02 of the Revised Code, the County Commissioners, by resolution, imposed a 1 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles. In December 2001, the County Commissioners, by resolution, imposed an additional one-half percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. A warrant payable to the County is then drawn within five days. Proceeds of the tax were credited to the General Fund and Capital Project Fund. Amounts that have been collected by the State and are to be received within the available period are accrued as revenue. Sales and use tax revenue for 2015 amounted to \$8,211,873 in the statement of activities.

NOTE 14 - ACCOUNTABILITY

The following funds had deficit fund balances as of December 31, 2015:

Non-major Special Revenue Funds:

Diversion Program Grant	\$31
VOCA Grant	7,878
GIS Grants	2,811
Hocking CASA Grant	286

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2015, the County contracted with County Risk Sharing Authority (CORSA), a jointly governed organization, for liability, property, and crime insurance. The CORSA program has a \$2,500 deductible.

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

NOTE 15 - RISK MANAGEMENT- *(Continued)*

Coverages provided by the program are as follows:

Property:

Buildings & Contents (\$100,000 annual aggregate pool limit for flood and earthquake)	\$83,436,872
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Liability:

General Liability	\$1,000,000
Excess Liability	5,000,000
Law Enforcement	1,000,000
Automobile	1,000,000
Uninsured/Underinsured Motorist	250,000
Faithful Performance and Employee Bond	1,000,000
Boiler and Machinery (each accident)	100,000,000

Settlement amounts on claims have not exceeded insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

The County participates in the Workers' Compensation Program provided by the State of Ohio. During 2015, the County belonged to a pool with 63 other Ohio counties (County Commissioners Association of Ohio) for a workers' compensation group-rating program. The County joined this group plan to achieve lower workers' compensation rates.

The County purchases health, dental and vision insurances through the Franklin County Cooperative Health Benefits Program (FCCHBP). Insurance purchased through the FCCHBP is not considered limited risk health insurance. Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. The County pays all elected officials' bonds by statute.

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS

Net Pension Liability

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

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS - (Continued)

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

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

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

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

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS - (Continued)

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

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS - (Continued)

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

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

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

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2.0% greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required pension contributions to OPERS were \$1,683,904 for 2015. Of this amount, \$90,882 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 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 contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	\$12,969,030
Proportion of the Net Pension Liability	0.107392%
Pension Expense	\$1,395,985

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$691,116
County contributions subsequent to the measurement date	1,683,904
Total Deferred Outflows of Resources	\$2,375,020
Deferred Inflows of Resources	
Differences between expected and actual experience	\$227,553

\$1,683,904 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2016	\$67,785
2017	67,785
2018	155,214
2019	172,779
Total	\$463,563

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75%
Future Salary Increases, including inflation	4.25% to 10.05% including wage inflation
COLA or Ad Hoc COLA	3.00%, simple
Investment Rate of Return	8.00%
Actuarial Cost Method	Individual Entry Age

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100% 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 most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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%	5.62%

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS *(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 8.0%, 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 (7%) or one-percentage-point higher (9%) 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	\$23,829,211	\$12,969,030	\$3,792,012

B. State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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% 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 years 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 years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5% of the 14.0% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14.0% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 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.

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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 14.0% on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 13.0% of their annual covered salary. The County was required to contribute 14.0%; the entire 14.0% was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The County's contractually required pension contributions to STRS were \$10,795 for 2015. All of this amount has been contributed as of the end of the year.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>
Proportionate Share of the Net Pension Liability	\$209,710
Proportion of the Net Pension Liability	0.00075880%
Pension Expense	\$9,083

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS
Deferred Outflows of Resources	
Differences between expected and actual experience	\$9,560
County contributions subsequent to the measurement date	4,982
Total Deferred Outflows of Resources	\$14,542
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$15,082

\$4,982 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	STRS
Fiscal Year Ending June 30:	
2016	(\$3,404)
2017	(3,404)
2018	(3,404)
2019	4,690
Total	(\$5,522)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	2.75% at age 70 to 12.25% at age 20
Investment Rate of Return	7.75%, net of investment expenses
Cost-of-Living Adjustments (COLA)	2.00% simple applied as follows: for members retiring before August 1, 2013, 2.00% per year; for members retiring August 1, 2013, or later, 2.00% 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.

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

NOTE 16 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

Actuarial assumptions used in the June 30, 2015, 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	1.00%	3.00%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75% as of June 30, 2015. 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, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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%, 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%) or one-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
County's proportionate share of the net pension liability	\$291,303	\$209,710	\$140,711

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0% of earnable salary, and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

NOTE 17 - POSTEMPLOYMENT BENEFITS (Continued)

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The County's contractually required postemployment health care contributions to OPERS for the years 2015, 2014, and 2013 were \$271,353, \$132,014 and \$128,550, respectively. Of these amounts, \$14,608, \$3,721 and \$5,462 were reported as an intergovernmental payable in years 2015, 2014 and 2013, respectively.

B. State Teachers Retirement System

Plan Description – The State Teachers Retirement System of Ohio (STRS Ohio) administers a pension plan that is comprised of a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting the STRS Ohio web site at www.strsoh.org, or by requesting a copy by calling (888) 227-7877.

Funding Policy – Under Ohio law, funding for postemployment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 0% of covered payroll was allocated to postemployment health care for the years ended June 30, 2015. For the years ended June 30, 2014 and 2013, 1% of covered payroll was allocated to post-employment health care. The 14% employer contribution rate is the maximum rate established under Ohio law.

The County's contractually required postemployment health care contributions to STRS Ohio for the years 2015, 2014 and 2013 were \$0, \$757 and \$759, respectively; 100% has been contributed for each of the three years.

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

NOTE 18 – FUND CASH BALANCES

As of December 31, 2015 fund balances are composed of the following:

	<u>General</u>	<u>Auto License & Gas Tax</u>	<u>Job and Family Services</u>	<u>Board of Developmental Disabililites</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>						
Prepaid Items	\$36,077	\$0	\$34,505	\$23,742	\$822	\$95,146
Loan Receivable	0	0	0	0	437,662	437,662
Materials & Supplies	40,281	292,435	5,208	0	0	337,924
Unclaimed Monies	48,471	0	0	0	0	48,471
Total Nonspendable	<u>124,829</u>	<u>292,435</u>	<u>39,713</u>	<u>23,742</u>	<u>438,484</u>	<u>919,203</u>
<i>Restricted:</i>						
Legislative & Executive	0	0	0	0	593,398	593,398
Judicial	0	0	0	0	389,766	389,766
Public Safety	0	0	0	0	747,031	747,031
Pubilc Works	0	1,158,293	0	0	487,769	1,646,062
Health	0	0	0	16,330,688	51,862	16,382,550
Human Services	0	0	430,323	0	1,333,318	1,763,641
Economic Development	0	0	0	0	244,870	244,870
Debt Service	0	0	0	0	60,796	60,796
Total Restricted	<u>0</u>	<u>1,158,293</u>	<u>430,323</u>	<u>16,330,688</u>	<u>3,908,810</u>	<u>21,828,114</u>
<i>Committed:</i>						
Special Children Services	0	0	0	0	171,662	171,662
Tax Lien Sales	0	0	0	0	44,890	44,890
Collaborative Projects	0	0	0	0	2,225	2,225
Capital Projects	0	0	0	0	679,615	679,615
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>898,392</u>	<u>898,392</u>
<i>Assigned:</i>						
Clark's Run Upper Term Ditch	0	0	0	0	2,206	2,206
Greenbriar Ditch	0	0	0	0	13,562	13,562
Pence Title Main Ditch	0	0	0	0	399	399
Total Assigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,167</u>	<u>16,167</u>
<i>Unassigned</i>	<u>6,718,705</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,006)</u>	<u>6,707,699</u>
Total Fund Balances	<u><u>\$6,843,534</u></u>	<u><u>\$1,450,728</u></u>	<u><u>\$470,036</u></u>	<u><u>\$16,354,430</u></u>	<u><u>\$5,250,847</u></u>	<u><u>\$30,369,575</u></u>

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

NOTE 19 - ADDITIONAL DISCLOSURE FOR DISCRETELY PRESENTED COMPONENT UNIT

A. Measurement Focus and Basis of Accounting

Pickaway County Airport Authority uses fund accounting to report on their operations and uses the accrual basis of accounting.

B. Budgetary Basis of Accounting

Budgetary information for the discretely presented component unit is not presented because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary financial records.

C. Capital Assets

Property and equipment for the component unit is stated at historical cost and is updated for the costs of additions and retirements during the year. Donated fixed assets have been recorded at the fair market value at the date of the gift.

The assets for Pickaway County Airport are depreciated on a straight line basis using the following estimated useful lives:

Category	Pickaway County Airport
Buildings and Improvements	30-40 years
Infrastructure	10-60 years

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

NOTE 19 - ADDITIONAL DISCLOSURE FOR DISCRETELY PRESENTED COMPONENT UNIT

(Continued)

A summary of changes in capital assets for the Pickaway County Airport during 2015 were as follows:

	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
<i>Nondepreciable Capital Assets:</i>				
Land	\$218,036	\$0	\$0	\$218,036
Total Nondepreciable Capital Assets	218,036	0	0	218,036
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	1,041,748	0	0	1,041,748
Infrastructure	997,242	0	0	997,242
Total Depreciable Capital Assets	2,038,990	0	0	2,038,990
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(381,922)	(33,159)	0	(415,081)
Infrastructure	(103,670)	(11,189)	0	(114,859)
Total Accumulated Depreciation	(485,592)	(44,348)	0	(529,940)
Depreciable Capital Assets, Net	1,553,398	(44,348)	0	1,509,050
Capital Assets, Net	\$1,771,434	(\$44,348)	\$0	\$1,727,086

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

A. Berger Hospital

Berger Hospital is a jointly governed organization that provides diversified health care services to the community. The hospital is governed by a 9 member board: Pickaway County Commissioners appoint 4 members of the board, the City of Circleville appoints 4 members of the board and the final board member is the City of Circleville's Mayor. The Mayor is the President of the Board but does not have voting privileges unless there is a tie. The City of Circleville holds legal title to the Hospital. The degree of control exercised by the County is limited to its representation on the Board. Pickaway County does not have an ongoing financial interest in or an ongoing financial responsibility for the Hospital. During 2015, the County did not make any contributions to the Hospital. Complete financial statements can be obtained from the Berger Hospital, 600 N. Pickaway, Circleville, Ohio, 43113.

B. Paint Valley Mental Health Alcohol and Drug Addiction Board

The Paint Valley Mental Health Alcohol and Drug Addiction Board serves Pike, Fayette, Highland, Pickaway and Ross Counties and is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. The Director of the Ohio Department of Mental Health appoints four members and the Director of the Ohio Department of Alcohol and Drug Addiction Services appoints four members. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway, and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board receives revenue from the participating counties and receives federal and state funding through grant monies that are applied for and received by the Board of Trustees. Pickaway County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Pickaway County has no ongoing financial interest or responsibility. During 2015, Pickaway County did not make any contributions to the program.

C. Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District

The County is a member of the Ross, Pickaway, Highland, Fayette Joint Solid Waste Management District, which is a jointly governed organization of the four-named counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989, as required by the Ohio Revised Code.

The Ross, Pickaway, Highland, Fayette 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 Pickaway County Auditor and Treasurer, and the Pickaway County Commissioners budget and finance the District with board approval. A twenty-nine member policy committee, comprised of seven members from each county and one at-large member appointed by the board of directors, is responsible for preparing the solid waste management plan of the District in conjunction with a twenty-three member Technical Advisory Council (members appointed by the policy committee). The District's sole revenue source is derived from a waste disposal fee for in-district and out-of-district waste. Although the counties contributed amounts to the District at the time of its creation, all contributions have since been returned to the respective counties and no future contributions by the counties are anticipated. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS *(Continued)*

D. County Risk Sharing Authority (CORSA)

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2015 was \$215,460.

E. Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments, which is a jointly governed organization created under the 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. During 2015, the County contributed \$45,804 to this organization. Financial statements can be obtained from the Southern Ohio Council of Governments, 43 N. Paint St., Chillicothe, Ohio, 45601.

NOTE 21 - RELATED ORGANIZATIONS

A. Pickaway County Park District

The County's probate judge is responsible for appointing the members of the board of the Pickaway County Park District. The County is the fiscal agent for the Park District; therefore, the activities of the Park District are reflected as an agency fund of the County.

B. Pickaway County District Public Library

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

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

NOTE 22 - CONTINGENT LIABILITIES

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

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, any potential liability would not have a material effect on the County's financial condition.

NOTE 23 – SUBSEQUENT EVENT DISCLOSURE

The County entered into an agreement on April 5, 2016 with Eagle Bridge Company for the Scioto Darby Bridge Replacement in the amount of \$4,079,000.

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

	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.10739200%	0.10739200%
County's Proportionate Share of the Net Pension Liability	\$12,969,030	\$12,660,118
County Covered-Employee Payroll	\$13,288,580	\$12,854,975
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	97.60%	98.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the County's measurement date which is the prior fiscal year.

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

	2015	2014	2013
County's Proportion of the Net Pension Liability	0.00075880%	0.00070252%	0.00070252%
County's Proportionate Share of the Net Pension Liability	\$209,710	\$170,877	\$119,352
County Covered-Employee Payroll	\$77,107	\$75,679	\$75,943
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	271.97%	225.79%	157.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.09%	74.71%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented as of the County's measurement date which is the prior fiscal year.

Pickaway County, Ohio
Required Supplementary Information
Schedule of County Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i><u>OPERS - Law Enforcement</u></i>				
Contractually Required Contribution	\$219,059	\$208,393	\$223,074	\$161,711
Contributions in Relation to the Contractually Required Contribution	<u>(219,059)</u>	<u>(208,393)</u>	<u>(223,074)</u>	<u>(161,711)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
County Covered-Employee Payroll	\$1,360,613	\$1,302,459	\$1,304,525	\$945,680
Contributions as a Percentage of Covered-Employee Payroll	16.10%	16.10%	17.10%	17.10%
<i><u>OPERS - All Others</u></i>				
Contractually Required Contribution	\$1,464,845	\$1,431,447	\$1,501,559	\$1,555,120
Contributions in Relation to the Contractually Required Contribution	<u>(1,464,845)</u>	<u>(1,431,447)</u>	<u>(1,501,559)</u>	<u>(1,555,120)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
County Covered-Employee Payroll	\$12,207,043	\$11,928,725	\$11,550,450	\$11,962,464
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$229,444	\$214,776	\$215,466	\$197,437	\$180,736	\$171,942
<u>(229,444)</u>	<u>(214,776)</u>	<u>(215,466)</u>	<u>(197,437)</u>	<u>(180,736)</u>	<u>(171,942)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,341,779	\$1,256,000	\$1,277,215	\$1,203,884	\$1,117,724	\$1,079,359
17.10%	17.10%	16.87%	16.40%	16.17%	15.93%
\$1,504,390	\$1,668,958	\$1,665,547	\$1,798,554	\$1,683,450	\$1,601,928
<u>(1,504,390)</u>	<u>(1,668,958)</u>	<u>(1,665,547)</u>	<u>(1,798,554)</u>	<u>(1,683,450)</u>	<u>(1,601,928)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,572,229	\$12,838,136	\$12,811,900	\$13,835,029	\$12,949,614	\$12,322,521
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$4,982	\$9,838	\$9,873	\$10,403
Contributions in Relation to the Contractually Required Contribution	<u>(4,982)</u>	<u>(9,838)</u>	<u>(9,873)</u>	<u>(10,403)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered-Employee Payroll	\$77,107	\$75,679	\$75,943	\$80,021
Contributions as a Percentage of Covered-Employee Payroll	6.46%	13.00%	13.00%	13.00%

Note: During 2011, the County reduced the number of teachers that were employed by the Department of Developmental Disabilities.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$7,407	\$26,157	\$26,157	\$24,881	\$21,466	\$21,849
<u>(7,407)</u>	<u>(26,157)</u>	<u>(26,157)</u>	<u>(24,881)</u>	<u>(21,466)</u>	<u>(21,849)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$56,979	\$201,207	\$201,207	\$191,393	\$165,121	\$168,071
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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PICKAWAY COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
<i>Nutrition Cluster:</i>				
<i>Cash Assistance</i>				
School Breakfast Program	10.553	N/A	-	2,861
National School Lunch Program	10.555	N/A	-	4,739
Total Nutrition Cluster			-	7,600
<i>Passed Through Ohio Department of Jobs & Family Services:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	G-1415-11-5413 & G-1617-11-5566	-	243,766
Total U.S. Department of Agriculture			-	251,366
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
<i>Passed Through Ohio Department of Development</i>				
Community Development Block Grant/State's Program	14.228	B-F-14-1CH-1 B-F-15-1CH-1	-	133,000
Total Community Development Block Grant Program			-	10,500
			-	143,500
Total U.S. Department of Housing & Urban Development			-	143,500
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through Ohio Department of Youth Services</i>				
Equitable Sharing Program	16.922	N/A	-	639
<i>Passed Through Ohio Attorney General:</i>				
Crime Victim Assistance Program	16.575	2015-VOCA-10211937 2015-SVAA-10211940 2015-VOCA-19812809 2015-SVAA-19812843	- - - -	72,245 6,879 28,148 536
Total Crime Victim Assistance Program			-	107,808
Total U.S. Department of Justice			-	108,447

(Continued)

PICKAWAY COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Workforce Investment Act, Area 20 - Ross County Department of Job and Family Services:</i>				
Employment Services/Wagner-Peyser Funded Activities	17.207	G-1415-11-5413 & G-1617-11-5566	\$ -	\$ 6,967
Workforce Investment Act (WIA) Cluster:				
WIA Adult Program	17.258			
Adult Administration		G-1415-11-5413 & G-1617-11-5566	-	3,263
Adult		G-1415-11-5413 & G-1617-11-5566	-	105,113
Total WIA Adult Program			-	108,376
WIA Youth Activities	17.259			
Youth Activities Administration		G-1415-11-5413 & G-1617-11-5566	-	3,502
Youth		G-1415-11-5413 & G-1617-11-5566	127,185	140,831
Total WIA Youth Activities			127,185	144,333
WIA Dislocated Workers Formula Grants	17.278			
Dislocated Worker Administration		G-1415-11-5413 & G-1617-11-5566	-	2,555
Dislocated Worker		G-1415-11-5413 & G-1617-11-5566	-	69,177
Total WIA Dislocated Workers Formula Grants			-	71,732
Total Workforce Investment Act Cluster			127,185	324,441
Total U.S. Department of Labor			127,185	331,408
U.S. DEPARTMENT OF TRANSPORTATION				
Airport Improvement Program	20.106		-	62,152
<i>Passed Through Ohio Department of Public Safety:</i>				
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety	20.600	STEP-2015-65-00-00-00516-00	-	6,892
		STEP-2016-65-00-00-00503-00	-	4,052
		SC-2015-65-00-00-00489-00	-	32,691
		SC-2016-65-00-00-00439-00	-	1,495
State Traffic Safety Information System Improvements Grant	20.610	GG-2011-65-00-00-00523-00	-	1,351
National Priority Safety Programs	20.616	IDEP-2015-65-00-00-00422-00	-	13,421
		IDEP-2016-65-00-00-00319-00	-	2,845
Total Highway Safety Cluster:			-	62,747
Total U.S. Department Transportation			-	124,899
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
<i>Special Education Cluster:</i>				
Special Education_Grants to States Program	84.027	N/A	-	9,444
Total U.S. Department of Education			-	9,444

(Continued)

PICKAWAY COUNTY

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Jobs & Family Services:</i>				
Promoting Safe & Stable Families Program	93.556	G-1415-11-5413 & G-1617-11-5566	\$ -	\$ 22,616
Temporary Assistance for Needy Families Program	93.558	G-1415-11-5413 & G-1617-11-5566	-	1,211,253
Child Support Enforcement Program	93.563	G-1415-11-5413 & G-1617-11-5566	-	553,188
Child Care & Development Block Grant	93.575	G-1415-11-5413 & G-1617-11-5566	-	61,317
Community-Based Child Abuse Prevention Grant	93.590	G-1415-11-5413 & G-1617-11-5566	-	137
Foster Care_Title IV-E Program	93.658	G-1415-11-5413 & G-1617-11-5566	-	517,257
Adoption Assistance Program	93.659	G-1415-11-5413 & G-1617-11-5566	-	60,303
Social Services Block Grant	93.667	G-1415-11-5413 & G-1617-11-5566	-	318,145
Chafee Foster Care Independence Program	93.674	G-1415-11-5413 & G-1617-11-5566	-	1,272
Medical Assistance Program	93.778	G-1415-11-5413 & G-1617-11-5566	-	403,544
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	93.667	G-1415-11-5413 & G-1617-11-5566	-	29,769
Total U.S. Department of Health and Human Services			-	3,178,801
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency:</i>				
Emergency Management Performance Grants	97.042	EMW-2014-EP-00064	-	58,245
		EMW-2015-EP-00034-S01	-	13,830
Total Emergency Management Performance Grants			-	72,075
Total U.S. Department of Homeland Security			-	72,075
Total Expenditures of Federal Awards			\$ 127,185	\$ 4,219,940

The accompanying notes are an integral part of this schedule.

PICKAWAY COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Pickaway County, Ohio (the County's) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The County passes certain federal awards received from the Area 20/21 Workforce Investment Board to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE D - CHILD NUTRITION CLUSTER

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

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

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

These loans are collateralized by liens on the property.

PICKAWAY COUNTY

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

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

Activity in the CDBG revolving loan fund during 2015 is as follows:

Beginning Loans Receivable Balance as of January 1, 2015	\$ 437,662
New Loans Made	-
Loan Principal Payments	-
Ending Loans Receivable Balance as of December 31, 2015	<u>\$ 437,662</u>
Cash Balance on Hand in the Revolving Loan Fund as of December 31, 2015	\$ 90,727
Administrative Costs Expended During 2015	-

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2015, none are deemed to be uncollectible.

NOTE F - MATCHING REQUIREMENTS

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

NOTE G - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2015, the County made allowable transfers of \$115,000 from the Social Services Block Grant (SSBG) (93.667) program to the Temporary Assistance for Needy Families (TANF) (93.558) program. The Schedule shows the County spent approximately \$318,145 on the SSBG program. The amount reported for the SSBG program on the Schedule excludes the amount transferred to the TANF program. The amount transferred to the TANF program is included as TANF expenditures when disbursed. The following table shows the gross amount drawn for the SSBG program during fiscal year 2015 and the amount transferred to the TANF program.

Social Services Block Grant	\$ 433,145
Transfer to Temporary Assistance for Needy Families	<u>(115,000)</u>
Total Social Services Block Grant	<u>\$ 318,145</u>

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Dave Yost • Auditor of State

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

Pickaway County
207 South Court Street
Circleville, Ohio 43113

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of Pickaway 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 November 4, 2016, wherein we noted the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2015-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-002.

County's Response to Findings

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

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

November 4, 2016



Dave Yost • Auditor of State

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

Pickaway County
207 S. Court Street
Circleville, Ohio 43113

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



Dave Yost
Auditor of State
Columbus, Ohio

November 4, 2016

PICKAWAY COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Temporary Assistance for Needy Families Program (CFDA 93.558) Child Support Enforcement Program (CFDA 93.563)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

PICKAWAY COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015
(Continued)

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

FINDING NUMBER 2015-001

Cash Reconciliation – Significant Deficiency

The Treasurer's office maintains the bank accounts and investments for the County, which totaled approximately \$33.3 million in 2015. The Treasurer's office performs monthly reconciliations for the County; however, unidentified reconciling items in the December 31, 2015 reconciliation between the bank to book totaled \$55,939 (bank balance is greater than book balance). Of this amount, \$47,880 has been carried on the County's records since 2010. Bank reconciliations are prepared by the County Treasurer and a copy of the reconciliation is provided to the County Auditor to include in the monthly financial report to the Commissioners.

Strong monitoring practices of County financial activities are the responsibility of management and are essential to help ensure proper financial reporting. A reconciliation should be performed daily (as noted below) and reconciling items should be identified and adjusted at the time the reconciling item or error is discovered. Reconciliations should include all bank accounts and book balances. Additionally, management should review the bank to book reconciliation, as well as, the reconciliation between the Auditor and Treasurer and their respective account balances. Evidence of these reviews by someone independent of the reconciliation process should be documented.

When designing internal controls, including monitoring controls, Ohio Admin. Code Section 117-2-01(D) suggests, in part, specific control activities that management should consider.

- (1) Ensure that all transactions are properly authorized in accordance with management's policies.
- (2) Ensure that accounting records are properly designed.
- (3) Ensure adequate security of assets and records.
- (4) Plan for adequate segregation of duties or compensating control
- (5) Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

We recommend the County Treasurer and Auditor reconcile all bank and book balances on a daily basis. In this process, all reconciling items and/or errors should be identified and reviewed by someone independent of the reconciliation process to help ensure timely follow-up and corrective action. We recommend unidentified reconciling items be investigated to resolve bank to book differences. We also recommend the County consider additional training for staff assigned to complete reconciliations, as needed.

Officials' Response: See Corrective Action Plan.

PICKAWAY COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015
(Continued)

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

FINDING NUMBER 2015-002

Finding for Recovery – Veterans Services

Ohio Rev. Code § 117.01 (C) defines public money as “any money received, collected by, or due a public official under color of office, as well as any money collected by an individual on behalf of a public office, or as purported representative or agent of a public office”.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Seward v. National Surety Co.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex.rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

During the period January 1, 2009 through December 31, 2014, we noted the former Executive Director of the Pickaway County Veterans Service Commission earned \$4,269 in mileage reimbursements from the National Association of Veteran Service Commission Officers while using the Pickaway County Veteran Service Commission vehicle. The reimbursements were not submitted to the County for compensation for the use of the vehicle.

We noted the credit card account for the Commission was charged \$19 in finance fees as a result of the former Executive Director’s personal use of the account. The Commission paid the credit card bill.

We noted the former Executive Director earned \$100 from a Nazarene Church in Franklin Furnace, Ohio while performing duties as the Executive Director at a speaking engagement on September 9, 2012. The funds were deposited into the Executive Director’s personal account.

On November 9, 2016, Ms Rebecca Lee was ordered by the Pickaway County Court of Common Pleas to pay the County restitution of \$19,228, which included the \$20 of credit card fees and \$4,208 of travel reimbursements noted above.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money collected but unaccounted for is hereby issued against former Executive Director Rebecca Lee for \$160, in favor of the Pickaway County General Fund.

Officials’ Response: See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None.

PICKAWAY COUNTY

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

Finding Number	Finding Summary	Status	Additional Information
2014-001	Cash Reconciliation	Not Corrected. Re-issued as Finding 2015-001.	County is actively researching old reconciling items to ensure these are properly adjusted in their ledger. The County has identified and corrected some of these items in 2016.
2014-002	TANF Eligibility	Fully Corrected	

PICKAWAY COUNTY

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

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	The Treasurer worked with the Auditor to determine the procedures for entering these adjustments. After discussion on this, \$50,661 in adjustments was completed on July, 6, 2016. Remaining variances are still under review.	12/31/2016	Ellery Elick, County Treasurer
2015-002	On Wednesday, November 9, 2016, Former Veteran Service Executive Director, Rebecca Lee, was sentenced in Pickaway Common Pleas Court. Restitution was also ordered by the Judge at this hearing which included the amount of the finding for recovery in the audit ending December 31, 2015. Additional internal controls and policies have been put in place in this office to avoid issues reoccurring.	11/09/2016	Melissa Betz, County Auditor

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PICKAWAY 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
DECEMBER 20, 2016