WYANDOT COUNTY, OHIO

Basic Financial Statements – Cash Basis

December 31, 2018

with Independent Auditors' Report

CLARK SCHAEFER HACKETT

CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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Board of County Commissioners
Wyandot County
109 South Sandusky Street
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of the Wyandot County prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 5, 2019

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Table of Contents

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INDEPENDENT AUDITORS' REPORT

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio

Report on the Financial Statements
We have audited the accompanying cash basis financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of Wyandot County, Ohio (the County), as of and for the year ended December 31, 2018, and related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash basis is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Wyandot County, Ohio, as of December 31, 2018, and the respective changes in cash financial position thereof for the year then ended in accordance with the accounting basis described in Note 2.

Emphasis of Matter

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

Other Matters

Supplementary Information
Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards, is presented for purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 24, 2019

	Governmental Activities	Business - Type Activities	Total
Cash Assets			
Equity in Pooled Cash			
and Cash Equivalents	$ 19,879,814	$ 4,046,222	$ 23,926,036
	$ 19,879,814	$ 4,046,222	$ 23,926,036
Net Cash Position			
Restricted for:			
Road and Bridge	$ 3,903,358	$ -	$ 3,903,358
Developmental Disabilities	2,225,509	-	2,225,509
Conservation Programs	2,246,576	-	2,246,576
Public Safety	3,121,761	-	3,121,761
Human Services	1,152,481	-	1,152,481
Property Assessments	1,362,926	-	1,362,926
Judicial Programs	836,874	-	836,874
Capital Projects	328,878	-	328,878
Debt Service	756,020	-	756,020
Other Purposes	139,740	-	139,740
Unrestricted	3,805,691	4,046,222	7,851,913
	$ 19,879,814	$ 4,046,222	$ 23,926,036

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Activities - Cash Basis
Year Ended December 31, 2018

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary Government:							
Governmental Activities							
General Government:							
Legislative and Executive	$ 2,710,553	$ 924,687	$ 17,012	$ -	$ (1,768,854)		$ (1,768,854)
Judicial	1,504,436	472,939	154,859	-	(876,638)		(876,638)
Public Safety	3,968,294	579,025	282,015	-	(3,107,254)		(3,107,254)
Public Works	5,621,522	3,435	5,229,323	-	(388,764)		(388,764)
Health	124,189	86,246	1,173,055	-	1,135,112		1,135,112
Human Services	6,413,611	-	3,275,267	-	(3,138,344)		(3,138,344)
Conservation and Recreation	812,090	886,725	70,164	-	144,799		144,799
Other	608,025	-	-	-	(608,025)		(608,025)
Capital Outlay	918,258	61,179	-	-	(857,079)		(857,079)
Debt Service							
Principal Payment	1,035,838	-	-	-	(1,035,838)		(1,035,838)
Interest and Fiscal Charges	143,823	-	-	-	(143,823)		(143,823)
Bond Issuance Costs	-	-	-	-	-		-
Total Governmental Activities	23,860,639	3,014,236	10,201,695	-	(10,644,708)		(10,644,708)
Business Type Activities							
Nursing Home	4,846,066	4,299,056	-	23,300		(523,710)	(523,710)
Total Business Type Activities	4,846,066	4,299,056	-	23,300		(523,710)	(523,710)
Total Primary Government	$ 28,706,705	$ 7,313,292	$ 10,201,695	$ 23,300	(10,644,708)	(523,710)	(11,168,418)
General Cash Receipts							
Property Taxes Levied for:							
General Purposes					1,616,793	-	1,616,793
Developmental Disabilities					1,747,827	-	1,747,827
Debt Service					522,280	-	522,280
Sales Tax Levied for:							
General Purposes					2,857,375	-	2,857,375
Public Safety					1,428,674	-	1,428,674
Grants and Entitlements not Restricted to Specific Programs					1,010,350	-	1,010,350
Interest					472,944	-	472,944
Miscellaneous					1,192,373	-	1,192,373
Total General Receipts					10,848,616	-	10,848,616
Change in Net Cash Position					203,908	(523,710)	(319,802)
Net Cash Position - Beginning of Year					19,675,906	4,569,932	24,245,838
Net Cash Position - End of Year					$ 19,879,814	$ 4,046,222	$ 23,926,036

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2018

	General	Public Safety Sales Tax Fund	Motor Vehicle and Gasoline Tax Fund	Angeline DD Fund	Other Governmental Funds	Total Governmental Funds
Cash Assets:						
Equity in Pooled Cash and Cash Equivalents	$ 3,747,706	$ 1,756,695	$ 3,903,358	$ 1,836,025	$ 8,442,907	$ 19,686,691
Cash Fund Balances:						
Non-Spendable for						
Unclaimed funds	$ 20,382	$ -	$ -	$ -	$ -	$ 20,382
Restricted for						
Roads and bridges	-	-	3,903,358	-	-	3,903,358
Developmental disabilities	-	-	-	1,836,025	389,484	2,225,509
Human services	-	-	-	-	1,152,481	1,152,481
Public safety	-	1,756,695	-	-	1,365,066	3,121,761
Capital projects	181,352	-	-	-	147,526	328,878
Debt service	-	-	-	-	756,020	756,020
Judicial programs	-	-	-	-	836,874	836,874
Property assessments	-	-	-	-	1,362,926	1,362,926
Conservation programs	-	-	-	-	2,246,576	2,246,576
Other purposes	-	-	-	-	139,740	139,740
Committed for		-				
Capital projects	-	-	-	-	17,841	17,841
Other purposes	-	-	-	-	28,373	28,373
Assigned for						
Judicial programs	242,384	-	-	-	-	242,384
Capital projects	103,441	-	-	-	-	103,441
Public safety	58,393	-	-	-	-	58,393
General government	156,128	-	-	-	-	156,128
Subsequent appropriations	92,633	-	-	-	-	92,633
Unassigned	2,892,993	-	-	-	-	2,892,993
Total Cash Fund Balances	$ 3,747,706	$ 1,756,695	$ 3,903,358	$ 1,836,025	$ 8,442,907	19,686,691

Reconcilation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Governmental activities in the statement of net position include the cash assets of the internal service fund. In the fund statements these cash assets are reported in proprietary fund statements.	193,123
Net Cash Position of Governmental Activities	$ 19,879,814

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
Year Ended December 31, 2018

	General	Public Safety Sales Tax Fund	Motor Vehicle and Gasoline Tax Fund	Angeline DD Fund	Other Governmental Funds	Total Governmental Funds
Receipts:						
Local Taxes	$ 4,474,168	$ 1,428,674	$ -	$ 1,747,827	$ 522,280	$ 8,172,949
Intergovernmental	895,809	-	4,809,978	1,112,254	4,394,004	11,212,045
Interest	472,944	-	-	-	-	472,944
Licenses and Permits	318,710	-	-	9,465	1,062,208	1,390,383
Fines and Forfeitures	185,440	-	929	-	42,249	228,618
Charges for Services	852,652	-	-	-	542,583	1,395,235
Special Assessments	-	-	-	-	-	-
Other	66,315	-	2,387	126,243	103,120	298,065
Refunds and Reimbursements	301,016	-	-	-	-	301,016
Total Receipts	7,567,054	1,428,674	4,813,294	2,995,789	6,666,444	23,471,255
Disbursements:						
General Government:						
Legislative and Executive	2,325,504	-	-	-	382,528	2,708,032
Judicial	1,285,765	-	-	-	216,749	1,502,514
Public Safety	2,473,650	1,058,872	-	-	430,496	3,963,018
Public Works	153,635	-	5,467,188	-	-	5,620,823
Health	61,190	-	-	-	62,793	123,983
Human Services	409,877	-	-	2,374,821	3,628,884	6,413,582
Conservation and Recreation	-	-	-	-	810,777	810,777
Other	516,244	-	-	-	91,781	608,025
Capital Outlay	336,777	173,164	-	32,555	375,762	918,258
Debt Service:						
Principal Retirement	-	-	-	27,200	1,008,638	1,035,838
Interest and Fiscal Charges	-	-	-	1,344	142,479	143,823
Total Disbursements	7,562,642	1,232,036	5,467,188	2,435,920	7,150,887	23,848,673
Excess (Deficiency) of Receipts over Disbursements	4,412	196,638	(653,894)	559,869	(484,443)	(377,418)
Other Financing Sources (Uses):						
Other Sources	659,333	-	89,836	-	4,901	754,070
Other Uses	(159,655)	-	-	-	(1,123)	(160,778)
Transfers In	-	-	-	-	723,552	723,552
Transfers Out	(136,292)	(155,350)	(360,200)	(48,661)	(23,049)	(723,552)
Total Other Financing Sources (Uses)	363,386	(155,350)	(270,364)	(48,661)	704,281	593,292
Net Change in Fund Balances	367,798	41,288	(924,258)	511,208	219,838	215,874
Fund Balances Beginning of Year	3,379,908	1,715,407	4,827,616	1,324,817	8,223,069	
Fund Balances End of Year	$ 3,747,706	$ 1,756,695	$ 3,903,358	$ 1,836,025	$ 8,442,907	

Reconcilation to Statement of Activities:

Amounts reported for governmental activities in the statement of activities are different because:

The internal service fund charge insurance costs to other funds. In the statement of activities, the expenditure by the governmental funds are eliminated as well as the corresponding internal service fund receipts. Governmental activities report allocated net internal service fund receipts (disbursements).	(11,966)
Change in Net Position of Governmental Activities	$ 203,908

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2018

	Business-Type Activities	Governmental Activity
	Nursing Home Fund	Internal Service Fund
Cash Assets		
Equity in Pooled Cash and Cash Equivalents	$ 4,046,222	$ 193,123
Net Position		
Unrestricted	$ 4,046,222	$ 193,123

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Cash Receipts, Disbursements and
Changes in Fund Net Position - Cash Basis
Proprietary Funds
Year Ended December 31, 2018

	Business-Type Activities	Governmental Activity
	Nursing Home Fund	**Internal Service Fund**
Operating Receipts		
Charges for Services	$ 4,247,347	$ -
Interfund Charges	-	2,683,093
Other Operating Receipts	51,709	-
Total Operating Receipts	4,299,056	2,683,093
Operating Disbursements		
Salaries and Benefits	3,050,605	-
Purchased Services	1,275,174	-
Materials and Supplies	471,772	-
Medical Insurance	-	2,695,059
Capital Outlay	48,515	-
Total Operating Disbursements	4,846,066	2,695,059
Operating Loss	(547,010)	(11,966)
Non-Operating Receipts		
Intergovernmental	23,300	-
Change in Net Position	(523,710)	(11,966)
Net Position Beginning of Year	4,569,932	205,089
Net Position End of Year	$ 4,046,222	$ 193,123

See accompanying notes to the basic financial statements.

Wyandot County, Ohio
Statement of Fiduciary Net Position - Cash Basis
December 31, 2018

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 1,750,552
Cash in Segregated Accounts	146,612
Total Assets	$ 1,897,164
Net Position	$ 1,897,164

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

Wyandot County, Ohio (the County) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a board of three Commissioners elected by the voters of the County. The County Auditor is responsible for the fiscal controls over the resources of the County that are maintained in the funds described below. The County Treasurer is the custodian of funds and the investment officer. Other officials elected by the voters of the County that manage various segments of the County's operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, 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 serving as the budget and taxing authority, contracting body and chief administrator of public services for the County, including each of these departments.

Reporting Entity

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. The financial statements and notes include all funds, agencies, boards, and commissions, and component units for which Wyandot County and the County Commissioners are "accountable". Accountability was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County. Responsibility was evaluated on the basis of financial dependence and the manifestations of oversight exercised by the Commissioners. Among the factors considered were budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, obligation of the County to finance any deficits that may occur, reliance of the organization on continuing subsidies from the County, selection of governing authority, and designation of management.

Based on the foregoing criteria, the following entities have been evaluated and reflected in the accompanying financial statements and notes as follows:

Potential Component Units Reported as Agency Funds

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

County General Health District
Soil and Water Conservation District
Family and Children First Council

The County is associated with certain organizations which are defined as Jointly Governed Organizations, a Shared Risk Pool, and an Insurance Purchasing Pool, as follows:

Jointly Governed Organization

Mental Health and Recovery Services

The Mental Health and Recovery Services (MHRS) is a joint venture between Seneca, Sandusky, and Wyandot counties. The headquarters for the MHRS Board is in Seneca County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the MHRS Board is made of 18 members, 10 of the members are appointed by the county commissioners of each respective county, 4 are appointed by the State Department of Mental Health, and 4 are appointed by the State of Ohio Department of Alcohol and Drug Addiction Services. Revenues to provide mental health services are generated through state and federal grants.

The Mental Health Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits. Financial information can be obtained from the Seneca County Auditor, Seneca County Courthouse, Tiffin, Ohio 44883.

Shared Risk Pool

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

Insurance Purchasing Pool

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although required by Ohio Administrative Code Section 117-2-3(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the County, choose to prepare its financial statements and notes in accordance with the cash basis of accounting. Under this basis of accounting, receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

A. Fund Accounting

The County uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County classifies each fund as either governmental, proprietary or fiduciary.

Governmental Funds

The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the County's major governmental funds:

General Fund – The General Fund is the operating fund of the County and is used to account 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.

Public Safety Sales Tax Fund – This fund accounts for monies received from sale tax proceeds restricted for sheriff services in the County as well as emergency medical services.

Motor Vehicle and Gasoline Tax Fund – This fund accounts for monies received from state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of roads and bridges.

Angeline Developmental Disability (DD) Fund – This fund accounts for the operation of a school for the developmentally disabled and handicapped individuals within the County. Revenue sources include a County-wide property tax levy and federal and state grants.

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

Proprietary Funds

Certain County funds operate similar to business enterprises, where user charges (i.e. charges for services) provide significant resources for the activity. The County classifies these as proprietary funds.

Nursing Home Fund – This fund accounts for the operations to provide care and treatment of elderly and disabled county residents at the Skilled Nursing and Rehabilitation Center.

Internal Service Fund – This fund is used to accumulate and allocate costs of health insurance internally among the County's other programs and activities

Fiduciary Funds

Fiduciary funds account for cash and investments where the County is acting as trustee or fiscal agent for other entities or individuals. The County's only fiduciary funds are agency funds. Agency funds are custodial in nature, where the County deposits and pays cash as directed by another entity, individual, or statute. The agency funds of the County included funds established to account for undivided tax receipts, the Board of Health, the Soil and Water Conservation District, and the Family and Children First Council. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

B. Basis of Presentation

The County has implemented the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net cash position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net cash position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

D. Inventory and Prepaid Items

The County reports a disbursement for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

E. Capital Assets and Depreciation

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

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the County.

G. Long-term Obligations

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

H. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Position

The statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The County first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

J. Pensions/Other Postemployment Benefits (OPEB)

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

K. Cash and Investments

The County maintains a cash and investment pool which is available for all funds. Individual fund integrity is maintained through County records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements. All investments of the County had a maturity of five years or less. Investments are stated at cost within the financial statements. Investments with an originally maturity of three months or less at the time of purchase, and investments of the cash and investment pool are reported as cash equivalents on the financial statements.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund were $472,944, which includes $426,670 assigned from other County funds.

Cash and cash equivalents that are held separately within departments of the County is presented as “Cash and Cash Equivalents in Segregated Accounts” on the financial statements.

During 2018, the County invested in STAR Ohio (the State Treasury Asset Reserve of Ohio), which is an investment pool managed by the State Treasurer’s Office that offers governments within the State the opportunity to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The County measures their investment in

STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the City's investments in STAR Ohio and money market funds, fair value is determined by the share price. There are no limitations or restrictions on withdrawals from these investments due to redemption notice periods, liquidity fees, or redemption gates. STAR Ohio does require notice to be given 24 hours in advance for all deposits or withdrawals exceeding $50 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

L. Interfund Activity

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses; proprietary funds report transfers after nonoperating receipts and disbursements. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

M. Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because there are not in spendable form, or legally or contractually required to be maintained intact.

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

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

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

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

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

3. DEPOSITS AND INVESTMENTS

Statutes require the classification of monies held by the County into two categories. The first category consists of active deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for current demands on the treasury. Inactive deposits may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. 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 investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County’s total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County’s total average portfolio;

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

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

Deposits
Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. Of the bank balances totaling $6,963,395, $1,281,083 was insured by FDIC. The remaining balance of $5,682,312 was collateralized with securities held in single financial institution collateral pools in the name of the respective depository bank and pledged as a pool of collateral against all the public moneys it holds or with a qualified trustee and pledged to the Treasurer of State as discussed below. All County demand deposits were either insured or collateralized, in accordance with state law and the County's investment policy.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments
At year-end, the County had the following investments:

Investment Type	Credit Rating	Fair Value	Less than One Year	One to Three Years	Greater than Three Years	% of Portfolio
Federal Farm Credit Bank	AA+	1,504,844	-	1,004,854	499,990	7.71%
Federal Home Loan Bank	AA+	1,699,598	-	492,145	1,207,453	8.70%
Federal Home Loan Mortgage Corp.	AA+	6,281,119	568,825	3,995,868	1,716,426	32.19%
Federal National Mortgage Association	AA+	1,483,601	993,200	490,401	-	7.60%
Money Market	N/A	675,162	675,162	-	-	3.46%
Commercial Paper	P1	2,434,432	2,434,432	-	-	12.47%
Negotiable Certificates of Deposit	N/A	4,117,160	986,364	974,692	2,156,104	21.11%
STAR Ohio	AAAm	1,319,568	1,319,568	-	-	6.76%
		19,515,484	6,977,551	6,957,960	5,579,973	100.00%

Interest Rate Risk – The County's investment policy and the Ohio Revised Code state that the maximum maturity for any investment is limited to five years from the date of settlement unless the investment matches a specific obligation or debt. State statute limits investment in commercial paper to a maximum maturity of 270 days and banker acceptances to a maximum of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily.

Credit Risk – The County's investments policy requires that they follow the investment guidelines in Section 135 of the Ohio Revised Code. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that commercial paper and corporate notes are limited to notes rated at the time of purchase to the highest classification established by two nationally recognized standard rating services. The negotiable certificates of deposits are part of the CDARs program and are fully insured by FDIC insurance coverage.

Concentration of Credit Risk – The County's investment policy does not place any limit on investments in any single issuer, however state statute limits investments in commercial paper and bankers acceptances to 25% of the interim monies available for investment at any one time.

Fair Value Measurement
The County's investments reported above are measured and disclosed at fair value according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets
Level 2 – Investments reflect prices that are based on a similar observable asset either directly, or indirectly, which may include inputs in markets that are not considered to be active.
Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The County's investments, with the exception of STAR Ohio and money market funds, are classified in Level 1. STAR Ohio and money market funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

4. TAXES

Property Taxes
Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2018 for real and public utility property taxes represents collections of the 2017 taxes. Property tax payments received during 2018 for tangible personal property (other than public utility property) is for 2017 taxes.

2016 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes collected in and intended to finance 2018.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

The full tax rate of for all County operations for the year ended December 31, 2018 was $6.70 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real Property:	
Residental/Agricultural	$ 476,584,550
Commercial/Industrial	55,251,580
Public Utilities	412,060
Tangible Personal Property:	
Public Utilities	24,066,630
Total Assessed Valuation	$ 556,314,820

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

Public utility tangible personal property taxes paid by multi-county tax payers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

Permissive Sales and Use Tax
The County Commissioners by resolution imposed a one percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. 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 to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget Management then has five days in which to draw the warrant payable to the County. Proceeds of the tax rate are credited to the general and public safety funds. Permissive sales tax revenue for 2018 amounted to $2,857,375 in the general fund and $1,428,674 in the public safety fund.

Tax Abatements
The County enters into property tax abatement agreements with local businesses by establishing Enterprise Zones, pursuant to Chapter 5709 of the Ohio Revised Code. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments within the County. Under this program, the County can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible (except as noted within rare circumstances). Specific tax incentives are negotiated by the Commissioners, and an enterprise zone agreement must be in place before the project begins. For 2018, the abated property taxes pursuant to these agreements was insignificant to the County as a whole.

5. RISK MANAGEMENT

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

The County Risk Sharing Authority, Inc. (CORSA) is a risk sharing pool made up of sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit 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 provided by CORSA. The coverage provided include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member 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' obligation to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

The audited financial statements for CORSA reported the following at April 30, 2018: total assets of $123.2 million, liabilities of $28.6 million and net assets of $94.6 million.

Insurance coverage stayed the same as in the prior year. Settled claims did not exceed the coverage amounts established in any of the past three years.

The County also participates in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to achieve lower worker's compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

6. DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability
Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The remainder of this note includes the pension disclosures. See Note 7 for the OPEB disclosures.

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

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

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, 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. Members retiring under the combined plan receive a cost–of–living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year.

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local	Law Enforcement
2018 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee *	10.0 %	***
2018 Actual Contribution Rates		
Employer:		
Pension ****	14.0 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

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

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

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

The County’s contractually required contribution was $1,399,928 for 2018.

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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. For 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The 2018 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $11,271 for 2018.

Net Pension Liability
The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2017, 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 of the County's defined benefit pension plans:

	OPERS	STRS	Total
Proportionate Share of Net Pension Liability:			
Current Year Liability	$ 11,313,893	$ 148,306	$ 11,462,199
Change from Prior Year	$ (3,482,659)	$ (77,262)	$ (3,559,921)
Proportion of the Net Pension Liability	0.072118%	0.000624%	
Change in Proportionate Share	0.006959%	0.000050%	

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75%, including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3%; Post 1/7/2013 Retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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 2017 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%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	18.00%	5.26%
Total	100.00%	5.66%

Discount Rate

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

Sensitivity of the Employer'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 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate of 7.50%	1% Increase (8.50%)
County's proportionate share of the net pension liability	$20,090,670	$11,313,893	$3,996,787

Actuarial Assumptions – STRS
Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

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

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate
The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate of 7.45%	1% Increase (8.45%)
County's proportionate share of the net pension liability	$212,592	$148,306	$94,155

Social Security System
Effective July 1, 1991, all employees not otherwise covered by the OPERS or STRS Ohio have an option to choose Social Security or the Ohio Public Employees Retirement System/State Teachers Retirement System of Ohio. The County's liability is 6.2% of wages paid.

7. POSTEMPLOYMENT BENEFITS

Net OPEB Liability
For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. See note 6 for a description of the net OPEB liability.

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For the 2018, OPERS did not allocate any employer contributions to postemployment health care.

Plan Description – State Teachers Retirement System (STRS)
The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the 2018, STRS did not allocate any employer contributions to postemployment health care.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportionate Share of Net OPEB Liability:			
Current Year Liability	$ 7,685,243	$ 24,358	$ 7,709,601
Change from Prior Year	$ 1,103,940	$ (11,681)	$ 1,092,259
Proportion of the Net OPEB Liability	0.070771%	0.000624%	
Change in Proportionate Share	0.005612%	0.000050%	

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75%, including wage inflation
Single Discount Rate:	
Current measurement date	3.85%
Prior measurement date	4.23%
Investment rate of return	6.50%
Municipal bond rate	3.31%
Health care cost trend rate	7.50%, initial
	3.25%, ultimate in 2028
Actuarial cost method	Individual entry age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
Real Estate Investment Trust	6.00%	5.91%
International Equities	22.00%	7.88%
Other Investments	17.00%	5.39%
Total	100.00%	4.98%

Discount Rate
A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate of 3.85%	1% Increase (4.85%)
County's proportionate share of the net OPEB liability	$10,210,425	$7,685,243	$5,642,733

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$7,353,318	$7,685,243	$8,028,492

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented as follows:

Wage inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017
Blended discount rate of return	4.13%
Health care costs trends	6.00% to 11.00% initial, 4.50% ultimate

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased.

The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also, since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 6.

Discount Rate
The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036, and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long-term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rates
The following table represents the County's proportionate share of the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the County's proportionate share of the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate of 4.13%	1% Increase (5.13%)
County's proportionate share of the net OPEB liability	$32,701	$24,358	$17,765

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB liability	$16,923	$24,358	$34,144

8. DEBT OBLIGATIONS

The following represents the activity of the County's long-term debt obligations for 2018:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
General Obligations:					
MRDD Capital Improvement Bonds					
Series 2008	$ 46,806	$ -	$ 46,806	$ -	$ -
Refunding Bonds					
Series 2013	780,000	-	125,000	655,000	125,000
Bus Acquisition Bonds					
Series 2013	55,100	-	27,200	27,900	27,900
Courthouse Improvement Bonds					
Series 2014	805,000	-	400,000	405,000	405,000
Various Purpose Bonds					
Series 2017	4,070,000	-	415,000	3,655,000	425,000
Special Assessment Debt with					
Governmental Commitment	43,980	-	21,832	22,148	22,148
Totals	$ 5,800,886	$ -	$ 1,035,838	$ 4,765,048	$ 1,005,048

General Obligation Bonds

In 2008, the County issued $390,460 of general obligation capital facility bonds to finance the cost of improving the County's Developmental Disabled (DD) facility. These improvements included roof replacement and lighting and HVAC improvements. These bonds were repaid from the Angeline bond retirement fund and fully matured in 2018.

In 2013, the County issued $1,270,000 in General Obligation Refunding Bonds with interest rates ranging from 3.75 to 4.30%. The purpose of this issue was to advance refund the County's outstanding various purpose general obligation bonds, series 2003, which were issued to finance various projects throughout the County, including the construction and renovation of the offices used by Jobs and Family Services. These bonds will be repaid from the bond retirement fund and mature in 2023.

In 2013, the County's Board of DD issued $157,560 of general obligation bus acquisition bonds to finance the purchase of a specialized bus needed for transportation services. These bonds were for a six-year period, final maturity in August 2019, and have a stated interest rate of 2.44%. These bonds are being repaid from the Angeline DD special revenue fund.

In 2014, the County issued $2,250,000 of general obligation courthouse improvement bonds to finance the cost of renovating the County's courthouse. These improvements included roof replacement and cast metal repairs to the clock tower. These bonds will be repaid using a voted bond tax levy from the bond retirement fund and will mature in 2019.

In 2017, the County issued $4,300,000 of Various Purpose General Obligations Bonds to finance the renovations of the EMS building and construction of a new County garage. These bonds carry interest rates from 0.95% to 3.00% and mature in 2026. These bonds will be repaid from the bond retirement fund.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Principal	Interest	Total
2019	$ 982,900	$ 124,671	$ 1,107,571
2020	555,000	97,367	652,367
2021	570,000	85,828	655,828
2022	580,000	73,778	653,778
2023	600,000	61,300	661,300
2024-2026	1,455,000	88,050	1,543,050
	$ 4,742,900	$ 530,994	$ 5,273,894

Special Assessment Bonds

The County has one special assessment bond issue. This issue was used to finance surface water drainage system improvements within the County. In 2016, the County issued $65,500 of special assessments bonds with a stated rate of interest of 1.45 percent which will fully mature on December 1, 2019. This issue will be repaid from amounts levied against the property owners benefited by these improvements. The special assessment bond is backed by the full faith and credit of the County. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Annual debt service requirements to maturity for the special assessment bond are as follows:

Year	Principal	Interest	Total
2019	$ 22,148	321	$ 22,469

9. INTERFUND TRANSACTIONS

The County reported the following transfers for the year ended December 31, 2018:

Transfer-Out Fund	Transfers-In Fund	Amount
General Fund:	Non-Major Governmental Funds:	
	Regional Planning Fund	53,484
	Small Cities Block Grant Fund	10
	CHIP Grant Fund	20
	Airport Construction Fund	5,000
	Engineer/EMS Bond Fund	13,181
	Debt Service Fund	64,597
		136,292
Public Safety Sales Tax Fund	Non-Major Governmental Funds:	
	Debt Service Fund	155,350
Motor Vehicle and Gas Tax Fund	Non-Major Governmental Funds:	
	Debt Service Fund	360,200
Angeline DD Fund	Non-Major Governmental Funds:	
	Angeline Bond Retirement Fund	48,661
Non-Major Governmental Fund:	Non-Major Governmental Funds:	
Engineer/EMS Bond Fund	Debt Service Fund	23,049
	Total	$ 723,552

Transfers from the General Fund are used to move monies that are used to subsidize various programs into other governmental funds and for repayment of debt obligations. The Public Safety Sales Tax Fund and the Motor Vehicle Tax Fund transferred monies to the non-major governmental funds required to meet debt service obligations. Angeline DD Fund and the Engineer/EMS Bonds Fund transferred monies to the non-major governmental funds required to pay the debt service payment on the DD debt obligation.

10. CONTINGENT LIABILITIES

The County receives financial assistance from federal and state agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2018 will not have a material adverse effect on the County.

There are claims and lawsuits involving the County which are pending. In the opinion of the County Prosecutor, any potential liability cannot be assessed at this point in the proceedings. It is not anticipated the ultimate resolutions of these matters will have a material effect on the County's financial statements.

11. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2018, the County implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

GASB Statement No. 75 improves the information presented in governmental employers' financial statements by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense (similar to GASB 68). Additional disclosures and RSI schedules are required related to OPEB liability(ies) reported.

Due to accounting basis used to prepare these financial statements, changes to the financial statements required by these standards were limited to the note disclosures.

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Number	Award Disbursements
DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Jobs and Family Services			
SNAP Cluster:			
State Administrative Matching Grant for SNAP	10.561	(1)	33,055
Pass Through the Ohio Federation of Soil and Water Conservation Districts			
Soil and Water Conservation - Contribution Agreement	10.902	68-5E34-14-006	28,197
Regional Conservation Partnership Program	10.930	68-5E34-15-028	22,406
Total Department of Agriculture			**83,658**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass through the Ohio Department of Mental Health			
Social Services Block Grant -- Title XX	93.667	(1)	15,560
Passed Through Ohio Department of Jobs and Family Services			
Social Services Block Grant -- Title XX	93.667	(1)	286,013
Total			301,573
Child Support Enforcement	93.563	(1)	231,861
Promoting Safe and Stable Families	93.556	(1)	16,705
TANF Cluster:			
Temporary Assistance for Needy Families (TANF)	93.558	(1)	372,420
CCDF Cluster:			
Child Care Development Block Grant	93.575	(1)	6,244
IV-E Admin and Training Foster Care	93.658	(1)	67,180
IV-E Admin and Training Adoption Assistance	93.659	(1)	85,798
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(1)	37,685
Chafee Foster Care Independence Program	93.674	(1)	67,183
Medicaid Cluster:			
Medical Assistance Program	93.778	(1)	405,945
Total Department of Health and Human Services			**1,592,594**
U.S. DEPARTMENT OF EDUCATION			
Passed through the Ohio Department of Education			
Special Education Cluster:			
Special Ed - Part B IDEA	84.027	(1)	13,196
Early Childhood Special Ed - IDEA	84.173	(1)	6,890
Total Special Education Cluster			20,086
Total U.S. Department of Education			**20,086**
U.S. DEPARTMENT OF LABOR			
Passed through the Ohio Department of Job and Family Services			
WIOA Cluster:			
WIA Adult	17.258	(1)	12,831
WIA Dislocated Worker	17.278	(1)	16,473
CCMEP WIOA	17.259	(1)	9,676
Total WIOA Cluster			38,980

(Continued)

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Number	Award Disbursements
U.S. DEPARTMENT OF LABOR (continued)			
Passed through the Ohio Department of Job and Family Services (continued)			
Trade Adjustment Assistance	17.245	(1)	569
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	17.207	(1)	3,065
Total U.S. Department of Labor			**42,614**
U.S. DEPARTMENT OF HOMELAND SECURITY:			
Passed through the Ohio Emergency Management Agency			
Emergency Management Performance Grant	97.042	EMC-2016-EP-00003-S01	16,033
		EMC-2017-EP-00006-S01	13,074
Total U.S. Department of Homeland Security			**29,107**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Ohio Department of Development			
Community Development Block Grant Program	14.228	BF-17-1DC-1	5,000
		BF-16-1DC-1	55,543
		BC-17-1DC-1	126,426
Total			186,969
Home Investment Partnership	14.239	BC-17-1DC-2	187,133
Total U.S. Department of Housing and Urban Development			**374,102**
ELECTION ASSISTANCE COMMISSION			
Passed through the Ohio Secretary of State			
HAVA Grant Funds	90.404	(1)	6,000
Total U.S. Election Assistance Commission			**6,000**
U.S. DEPARTMENT OF JUSTICE			
Passed through the Ohio Attorney General			
Victim of Crime Advocacy	16.575	2018-VOCA-109310316	24,870
		2019-VOCA-132134826	7,691
Total U.S. Department of Justice			**32,561**
DEPARTMENT OF TRANSPORTATION			
Passed through the Ohio Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID# 101623	360,052
		PID# 101621	502,260
Total			862,312
Passed through the Ohio Department of Public Safety			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2018-00068	12,372
		69A37518300004020OH0	6,198
Total			18,570
Highway Safety Cluster:			
State and Community Highway Safety	20.600	STEP-2018-00068	10,401
		69A37518300004020OH0	1,241
Total			11,642
Total U.S. Department of Transportation			**892,524**
TOTAL FEDERAL AWARD EXPENDITURES			**$ 3,073,246**

(1) Pass Through Entity Number Unknown

See notes to the Schedule of Expenditures of Federal Awards.

A. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Wyandot County, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented 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 this Schedule only presents a selected portion of the operations of the County, it is not intended to and does not present the financial position or change in net position of the County.

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

B. Matching Requirements

Certain federal programs require the County to contribute non-federal funds (matching funds) to support federally-funded programs. The expenditure of non-federal (matching) funds is not included on the Schedule of Expenditures of Federal Awards.

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of Wyandot County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2019, wherein we noted the County reported on the cash basis of accounting.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-002, which we consider to be a material weakness.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2018-001.

The County's Response to Findings
The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 24, 2019

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Wyandot County, Ohio
Board of County Commissioners
109 South Sandusky Avenue
Upper Sandusky, Ohio

Report on Compliance for Each Major Federal Program
We have audited Wyandot County, Ohio's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program.

Report on Internal Control Over Compliance
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 24, 2019

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Noted
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None Noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Noted
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None Noted

Identification of major programs:

Highway Planning and Construction Cluster:
CFDA 20.205: Highway Planning and Construction

CFDA 93.778: Medical Assistance Program

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding Number 2018-001:
Ohio Administrative Code Section 117-2-3(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). Wyandot County has elected to prepare and submit its annual financial report on the cash basis of accounting. The accompanying financial statements and notes omit material assets, liabilities, fund equities and disclosures required by GAAP.

> Management Response: *Wyandot County's finances continue to drive the decision to file under the cash basis. We believe that filing under GAAP would cost an additional $30,000 per year with no appreciable benefit to the County.*

Finding Number 2018-002:
Audit adjustments or reclassifications were necessary to accurately report the cash receipts and disbursements on the financial statements. Audit adjustments are an indication that controls over financial reporting are deficient in design or not operating as intended. Audit adjustments were noted during the year associated with the following.

- The County overstated the intergovernmental receipts and public safety disbursements in the General Fund due to the manner in which the transactions with the Public Safety Sales Tax special revenue fund were eliminated within the report. Instead of having the Public Safety Sales Tax Fund reimburse the General Fund for public safety disbursements, we recommend the County post the public safety disbursements directly to the Public Safety Sales Tax special revenue fund. This would eliminate the need to eliminate the interfund transactions in its financial statements.
- Certain reclassification of certain insignificant receipts from one line-item to another within the financial statements were made to properly reflect the nature of the receipts.
- Certain funding received by the County's Jobs and Family Services (JFS) department are paid into Public Assistance fund and then allocated to the individual related program funds, such as Child Support Enforcement Agency. The allocation of these funds is treated as receipts and disbursement by JFS Department and receipts in the funds of the related programs. These allocations should be eliminated in the financial statements.

It should be noted the County continues to improve the manner financial transactions are posted to the accounting records throughout the year compared with prior years.

The audit process should not be viewed by management as part of the County's internal control process to detect and correct errors. The County should develop in-house procedures to examine the transactions posted to the financial system to ensure transactions are posted appropriately and any corrections are made on a timely basis.

> Management Response: *The County Auditor acknowledges the audit adjustments noted for 2018 and will continue to work towards ensuring such issues are not repeated for future years.*

Section III – Federal Awards Findings and Questioned Costs

None Noted

George W. "Bill" Kitzler
Wyandot County Auditor

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Wyandot County, Ohio
Schedule of Prior Audit Findings
December 31, 2018

Finding Number	Finding Summary	Fully Corrected?	County's Explanation Of Correction
2017-001	ORC 117.38/OAC 117-2-3(B) requires counties to file GAAP basis financial statements.	Not Corrected	Wyandot County has made the management decision that GAAP basis financial statements are not worth the additional cost it would take to produce them
2017-002	Audit adjustments and reclassifications were required to correct the financial statements.	Not Corrected	Wyandot County continues to work on correcting posting errors and the manner in which transactions are recorded. This process will take time to accomplish.
2017-003	The CDBG program was not in compliance with the cash management regulations.	Partially Corrected	Wyandot address their cash management policies and procedures in the middle of 2018 when notified as a result of the prior audit.
2017-004	The HOME program was not in compliance with the cash management regulations.	Partially Corrected	Wyandot address their cash management policies and procedures in the middle of 2018 when notified as a result of the prior audit.
2017-005	The County did not have controls or policies pertaining to program income for the HOME Grant	Corrected	Wyandot County restructured their policies and procedures to address the accountability of the program income.

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Wyandot County Auditor

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Wyandot County, Ohio
Corrective Action Plan
December 31, 2018

Finding Number	Planned Corrective Action	Anticipated Completion	Responsible Contact Person
2018-001	N/A – County views cash basis financial statements appropriate as GAAP statements would cost additional monies and be of no appreciable benefit.	N/A	County Commissioners
2018-002	We will continue to work with the individual departments to submit revenue to the correct receipt code/line items and properly record transfers.	Ongoing – starting immediately	County Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

WYANDOT 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
AUGUST 15, 2019

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