JACKSON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER

JACKSON COUNTY
DECEMBER 31, 2019

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, the discretely presented component units**,** each major fund, and the aggregate remaining fund information of Jackson County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, the discretely presented component units**,** each major fund, and the aggregate remaining fund information of Jackson County, Ohio, as of December 31, 2019, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Motor Vehicle Gasoline Tax, Job and Family Services, Jail Operations, and Developmental Disabilities Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2019, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities.* Also, as discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding these matters.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

November 24, 2020

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Jackson County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2019

	Primary Government	Component Units	
	Governmental Activities	Jackson County Airport Authority	Jackson County Land Reutilization Corporation
Assets			
Equity in Pooled Cash and Cash Equivalents	$8,984,807	$116,404	$15,565
Cash and Cash Equivalents in Segregated Accounts	450,214	0	0
Total Assets	$9,435,021	$116,404	$15,565
Net Position			
Restricted for:			
Unclaimed Monies	$144,780	$0	$0
Road Improvements	571,910	0	0
Human Services	1,230,482	0	0
Developmental Disabilities	1,376,359	0	0
Public Safety	1,432,077	0	0
Real Estate Assessment	550,391	0	0
Economic Development	575,427	0	0
Emergency Management	303,803	0	0
Court Operations	811,501	0	0
Dog and Kennel Operations	161,997	0	0
Clean Ohio	60	0	0
Election Operations	115,303	0	0
Elections Security	18,653	0	0
Debt Service	5,072	0	0
Unrestricted	2,137,206	116,404	15,565
Total Net Position	$9,435,021	$116,404	$15,565

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2019

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Position	Component Units	
	Disbursements	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Total	Jackson County Airport Authority	Jackson County Land Reutilization Corporation
Governmental Activities							
General Government:							
Legislative and Executive	$2,694,153	$2,240,596	$132,550	$0	($321,007)	$0	$0
Judicial	3,260,077	1,369,720	105,362	0	(1,784,995)	0	0
Public Safety	7,382,108	1,687,956	920,215	0	(4,773,937)	0	0
Public Works	6,249,319	379,274	5,049,565	0	(820,480)	0	0
Health	3,484,626	132,241	2,368,524	0	(983,861)	0	0
Human Services	8,608,374	1,206,646	6,392,935	0	(1,008,793)	0	0
Economic Development	782,417	0	868,910	0	86,493	0	0
Capital Outlay	371,719	26,400	0	0	(345,319)	0	0
Debt Service:							
Principal Retirement	228,865	0	0	0	(228,865)	0	0
Interest and Fiscal Charges	52,093	0	0	0	(52,093)	0	0
Total Governmental Activities	33,113,751	7,042,833	15,838,061	0	(10,232,857)	0	0
Component Units							
Jackson County Airport Authority	1,510,406	131,185	739	1,327,573	0	(50,909)	0
Jackson County Land Reutilization Corporation	181,940	0	185,278	0	0	0	3,338
Total Component Units	$1,692,346	$131,185	$186,017	$1,327,573	0	($50,909)	$3,338
General Receipts							
Property Taxes Levied for:							
General Purposes					1,652,201	0	0
Emergency Medical Services					1,263,529	0	0
Developmental Disabilities					846,941	0	0
Childrens Servicves					899,567	0	
Sales Taxes Levied for:							
General Purposes					1,810,334	0	0
Public Safety					1,810,299	0	0
Grants and Entitlements not Restricted to Specific Programs					999,481	0	0
Interest					194,025	0	0
Insurance Recoveries					677,814	0	0
Proceeds of Loans					658,936	0	0
Other					539,066	5,237	4697
Total General Receipts					11,352,193	5,237	4,697
Change in Net Position					1,119,336	(45,672)	8,035
Net Position at Beginning of Year - Restated (See Note 3)					8,315,685	162,076	7,530
Net Position at End of Year					$9,435,021	$116,404	$15,565

See accompanying notes to the basic financial statements

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Jackson County, Ohio

Statement of Modified Cash Basis Assets, Liabilities and Fund Balances
Governmental Funds
December 31, 2019

	General	Motor Vehicle Gasoline Tax	Job and Family Services
Assets			
Equity in Pooled Cash and Cash Equivalents	$1,716,133	$658,305	$106,003
Restricted Cash and Cash Equivalents	144,780	0	0
Cash and Cash Equivalents in Segregated Accounts	50,823	3,258	0
Interfund Receivable	89,653	0	0
Total Assets	$2,001,389	$661,563	$106,003
Liabilities			
Interfund Payable	$0	$89,653	$0
Fund Balances			
Nonspendable	144,780	0	0
Restricted	0	571,910	106,003
Committed	87	0	0
Assigned	468,788	0	0
Unassigned	1,387,734	0	0
Total Fund Balances	2,001,389	571,910	106,003
Total Liabilities and Fund Balances	$2,001,389	$661,563	$106,003

See accompanying notes to the basic financial statements

Jail Operations	Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
$1,008,552	$1,376,359	$3,974,675	$8,840,027
0	0	0	144,780
56,050	0	340,083	450,214
0	0	0	89,653
$1,064,602	$1,376,359	$4,314,758	$9,524,674
$0	$0	$0	$89,653
0	0	0	144,780
1,064,602	1,376,359	4,034,161	7,153,035
0	0	43,485	43,572
0	0	237,112	705,900
0	0	0	1,387,734
1,064,602	1,376,359	4,314,758	9,435,021
$1,064,602	$1,376,359	$4,314,758	$9,524,674

Jackson County, Ohio

Statement of Modified Cash Receipts, Cash Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Motor Vehicle Gasoline Tax	Job and Family Services
Receipts			
Property Taxes	$1,652,201	$0	$0
Sales Taxes	1,810,334	0	0
Intergovernmental	1,160,029	5,041,956	4,369,628
Charges for Services	1,796,273	330,722	774,207
Fines, Licenses, and Permits	416,245	48,552	0
Rent	0	0	0
Donations	0	0	0
Interest	194,025	7,609	0
Other	177,012	40,559	555
Total Receipts	7,206,119	5,469,398	5,144,390
Disbursements			
Current:			
General Government:			
Legislative and Executive	1,969,266	0	0
Judicial	2,405,705	0	0
Public Safety	1,463,073	0	0
Public Works	414,066	5,835,253	0
Health	182,322	0	0
Human Services	488,810	0	5,348,791
Economic Development	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	104,064	0
Interest and Fiscal Charges	0	21,886	0
Total Disbursements	6,923,242	5,961,203	5,348,791
Excess of Receipts Over (Under) Disbursements	282,877	(491,805)	(204,401)
Other Financing Sources (Uses)			
Advances In	7,676	0	0
Transfers In	0	0	0
Insurance Recoveries	323,877	0	0
Proceeds of Loans	0	658,936	0
Advances Out	0	0	0
Transfers Out	(540,994)	(71,620)	0
Total Other Financing Sources (Uses)	(209,441)	587,316	0
Net Change in Fund Balances	73,436	95,511	(204,401)
Fund Balances at Beginning of Year - Restated (See Note 3)	1,927,953	476,399	310,404
Fund Balances at End of Year	$2,001,389	$571,910	$106,003

See accompanying notes to the basic financial statements

Jail Operations	Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
$0	$846,941	$2,163,096	$4,662,238
1,810,299	0	0	3,620,633
11,932	2,212,440	3,849,774	16,645,759
73,742	0	2,417,970	5,392,914
684	0	1,183,333	1,648,814
0	0	1,105	1,105
0	119,410	39,865	159,275
0	0	24,899	226,533
143,067	45,194	132,679	539,066
2,039,724	3,223,985	9,812,721	32,896,337
0	0	724,887	2,694,153
0	0	854,372	3,260,077
2,321,905	0	3,597,130	7,382,108
0	0	0	6,249,319
0	3,071,165	231,139	3,484,626
0	0	2,770,773	8,608,374
0	0	782,417	782,417
0	0	371,719	371,719
0	0	124,801	228,865
0	0	30,207	52,093
2,321,905	3,071,165	9,487,445	33,113,751
(282,181)	152,820	325,276	(217,414)
0	0	0	7,676
0	0	653,456	653,456
353,937	0	0	677,814
0	0	0	658,936
0	0	(7,676)	(7,676)
0	0	(40,842)	(653,456)
353,937	0	604,938	1,336,750
71,756	152,820	930,214	1,119,336
992,846	1,223,539	3,384,544	8,315,685
$1,064,602	$1,376,359	$4,314,758	$9,435,021

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	$1,880,000	$1,664,408	$1,664,408	$0
Sales Taxes	1,725,000	1,810,334	1,810,334	0
Intergovernmental	970,116	1,160,029	1,160,029	0
Charges for Services	420,945	1,741,915	1,741,915	0
Fines, Licenses, and Permits	938,050	393,634	393,634	0
Interest	142,000	202,033	202,033	0
Other	219,374	177,012	177,012	0
Total Receipts	6,295,485	7,149,365	7,149,365	0
Disbursements				
Current:				
General Government:				
Legislative and Executive	1,682,499	2,004,496	2,004,496	0
Judicial	2,592,374	2,405,705	2,405,705	0
Public Safety	1,272,466	1,463,073	1,463,073	0
Public Works	174,086	414,066	414,066	0
Health	154,785	182,322	182,322	0
Human Services	332,855	488,810	488,810	0
Total Disbursements	6,209,065	6,958,472	6,958,472	0
Excess of Receipts Over Disbursements	86,420	190,893	190,893	0
Other Financing Sources (Uses)				
Insurance Recoveries	0	323,877	323,877	0
Adances In	7,676	7,676	7,676	0
Transfers Out	(470,000)	(428,108)	(428,108)	0
Total Other Financing Sources (Uses)	(462,324)	(96,555)	(96,555)	0
Net Change in Fund Balance	(375,904)	94,338	94,338	0
Fund Balance at Beginning of Year	1,681,385	1,681,385	1,681,385	0
Prior Year Encumbrances Appropriated	2,518	2,518	2,518	0
Fund Balance at End of Year	$1,307,999	$1,778,241	$1,778,241	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	$3,730,000	$5,041,956	$5,041,956	$0
Charges for Services	240,500	330,722	330,722	0
Fines, Licenses, and Permits	45,000	47,924	47,924	0
Interest	0	8,169	8,169	0
Other	20,000	40,559	40,559	0
Total Receipts	4,035,500	5,469,330	5,469,330	0
Disbursements				
Current:				
Public Works	4,229,303	5,835,253	5,835,253	0
Debt Service:				
Principal Retirement	42,877	146,941	146,941	0
Interest and Fiscal Charges	3,976	21,886	21,886	0
Total Disbursements	4,276,156	6,004,080	6,004,080	0
Excess of Receipts Under Disbursements	(240,656)	(534,750)	(534,750)	0
Other Financing Sources (Uses)				
Proceeds of Loans	0	658,936	658,936	0
Transfers Out	(120,000)	(71,620)	(71,620)	0
Total Other Financing Sources (Uses)	(120,000)	587,316	587,316	0
Net Change in Fund Balance	(360,656)	52,566	52,566	0
Fund Balance at Beginning of Year	603,791	603,791	603,791	0
Fund Balance at End of Year	$243,135	$656,357	$656,357	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	$5,259,000	$4,369,628	$4,369,628	$0
Charges for Services	200,000	774,207	774,207	0
Other	15,000	555	555	0
Total Receipts	5,474,000	5,144,390	5,144,390	0
Disbursements				
Current:				
Human Services	5,012,132	5,358,750	5,358,750	0
Excess of Revenues Over (Under) Expenditures	461,868	(214,360)	(214,360)	0
Other Financing Uses				
Transfers Out	(300,000)	0	0	0
Net Change in Fund Balance	161,868	(214,360)	(214,360)	0
Fund Balance at Beginning of Year	310,404	310,404	310,404	0
Fund Balance at End of Year	$472,272	$96,044	$96,044	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Jail Operations
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Sales Taxes	$1,700,000	$1,810,299	$1,810,299	$0
Intergovernmental	0	3,423	3,423	0
Charges for Services	5,000	11,188	11,188	0
Other	0	114,822	114,822	0
Total Receipts	1,705,000	1,939,732	1,939,732	0
Disbursements				
Current:				
Public Safety	1,810,000	2,297,235	2,297,235	0
Excess of Receipts Under Disbursements	(105,000)	(357,503)	(357,503)	0
Other Financing Sources				
Insurance Proceeds	0	353,937	353,937	0
Net Change in Fund Balance	(105,000)	(3,566)	(3,566)	0
Fund Balance at Beginning of Year	951,303	951,303	951,303	0
Fund Balance at End of Year	$846,303	$947,737	$947,737	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Developmental Disabilities Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Property Taxes	$820,000	$853,073	$853,073	$0
Intergovernmental	2,068,429	2,212,440	2,212,440	0
Donations	0	119,410	119,410	0
Interest	0	0	0	0
Other	64,103	46,358	46,358	0
Total Receipts	2,952,532	3,231,281	3,231,281	0
Disbursements				
Current:				
Health	2,964,532	3,082,751	3,082,751	0
Excess of Receipts Over (Under) Disbursements	(12,000)	148,530	148,530	0
Other Financing Sources (Uses)				
Transfers In	3,000	0	0	0
Transfers Out	(3,000)	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(12,000)	148,530	148,530	0
Fund Balance at Beginning of Year	1,190,607	1,190,607	1,190,607	0
Fund Balance at End of Year	$1,178,607	$1,339,137	$1,339,137	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Fiduciary Net Position - Modified Cash Basis

Custodial Funds

December 31, 2019

Assets	
Equity in Pooled Cash and Cash Equivalents	$1,309,020
Cash and Cash Equivalents in Segregated Accounts	414,331
Total Assets	$1,723,351
Net Position	
Restricted for Individuals, Organizations, and Other Governments	$1,723,351

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Changes in Fiduciary Net Position - Modified Cash Basis

Custodial Funds

For the Year Ended December 31, 2019

Additions	
Property Tax Collection for Other Governments	$18,846,984
Amounts Received as Fiscal Agent	465,764
Fines, Licenses, and Permits for Other Governments	7,403,272
Intergovernmental Receipts	5,984,315
Contributions from Individuals	1,574,367
Miscellaneous	59,649
Total Additions	34,334,351
Deductions	
Distributions to the State of Ohio	7,187,653
Distributions of State Funds to Other Governments	5,336,451
Property Tax Distributions to Other Governments	18,597,971
Distributions of Fines, Licenses, and Permits for Other Governments	349,123
Disbursements to Individuals	1,404,173
Distributions as Fiscal Agent	1,559,167
Total Deductions	34,434,538
Decrease in Fiduciary Net Position	(100,187)
Net Position at Beginning of Year	1,823,538
Net Position at End of Year	$1,723,351

See accompanying notes to the basic financial statements

Note 1 – Description of the County and Reporting Entity

Jackson County, Ohio (the "County"), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as the chief fiscal officer. In addition, there are ten other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and the Common Pleas/Probate, Juvenile, and Municipal Court Judges.

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

The financial reporting entity consists of the primary government, component units, and other governmental organizations included to ensure that the financial statements are not misleading.

The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Jackson County, this includes the Board of Developmental Disabilities, Children Services Board, and all departments and activities that are directly operated by the elected County Officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Discretely Presented Component Unit

The component unit columns on the financial statements identify the financial data of the Jackson County Airport Authority and the Jackson County Land Reutilization Corporation. The component units are reported separately to emphasize that they are legally separate from the County. Information about the component units is presented in Notes 23 and 24 to the basic financial statements.

> <u>Jackson County Airport Authority</u> The Jackson County Airport Authority (the Authority) was created by resolution of the County Commissioners under Ohio Revised Code Section 308.01. The purpose of the Authority is for the acquisition, construction, operation, and maintenance of the airport and its facilities in Jackson County. The Authority operates under the direction of a nine-member Board of Trustees, appointed by the County Commissioners. A Secretary-Treasurer is responsible for the fiscal accounting of the resources of the Authority. Services provided by the Authority include the means by which to aid the safe taking off and landing of aircraft, storage and maintenance of aircraft, and the safe and efficient operation of the airport. The Authority is considered to be a component unit of Jackson County and is discretely presented. The nature and significance of the relationship between the County and the Authority is such that exclusion would cause the County's financial statements to be misleading. The Authority operates on a fiscal year ending on December 31.

> <u>Jackson County Land Reutilization Corporation</u> The Jackson County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on April 4, 2017, when the Jackson County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution number 62-17 as a

not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Jackson County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed, and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is considered to be a component unit of Jackson County and is discretely presented. The nature and significance of the relationship between the County and the Corporation is such that exclusion would cause the County's financial statements to be misleading. The Corporation operates on a fiscal year ending on December 31.

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

The Jackson County Combined General Health District The District is governed by the Board of Health which oversees the operation of the District and is elected by a Regional Advisory Council composed of township trustees, mayors of participating municipalities, and one County Commissioner. The District adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and Federal grants applied for by the District.

Jackson County Soil and Water Conservation District The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to conduct and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) and ongoing financial responsibility. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

The County participates in several jointly governed organizations, a joint venture, and public entity risk pools. These organizations are presented in Notes 16, 17, and 18 to the Basic Financial Statements. The organizations are:

Gallia, Jackson, Meigs, Vinton Solid Waste Management District
Gallia, Jackson, and Meigs Board of Alcohol, Drug Addiction, and Mental Health Services
Jackson-Vinton Community Action Agency
Ohio Valley Regional Development Commission
Regional Child Abuse Prevention Council
Southern Ohio Council of Governments
South Central Ohio Regional Juvenile Detention Center
County Risk Sharing Authority
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County's management believes these financial statements present all activities for which the County is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

General accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

> ***General Fund*** The General Fund accounts for and reports all financial resources not 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.
>
> ***Motor Vehicle Gasoline Tax Special Revenue Fund*** The Motor Vehicle and Gasoline Tax Special Revenue Fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive license sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvement programs.
>
> ***Job and Family Services Special Revenue Fund*** The Job and Family Services Special Revenue Fund accounts for various State and Federal grants used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Developmental Disabilities Special Revenue Fund The Developmental Disabilities Special Revenue Fund accounts for various State and Federal grants as well as property tax collections used to provide assistance to Jackson County residents that suffer from developmental disabilities.

Jail Operations Special Revenue Fund The Jail Operations Special Revenue Fund accounts for monies associated with the operation of the County Jail.

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

Proprietary Funds The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service; the County has no proprietary funds.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. There are four categories of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The County did not have any trust funds in 2019. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; for State shared resources received from the State and distributed to other local governments; and for various fines and fees collected and distributed through the courts for the benefit of others.

C. Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting (See Note 4). Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

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

D. Budgetary Process

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

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

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate in effect when final appropriations for the year were adopted by the County Commissioners.

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity or more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not reported as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2019, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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 fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $25 million or more. STAR Ohio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code, grant requirements, or debt related restrictions. Interest is credited to the General Fund and the Motor Vehicle Gas Tax and the Community Development Block Grant Special Revenue Funds. Interest receipts credited to the General Fund during 2019 amounted to $194,025, which includes $160,491 assigned from other County funds.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are reported as "Interfund Receivables/Payables". The amounts are eliminated on the statement of net position.

J. Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead disbursements from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

K. Accumulated Leave

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

L. 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 11 and 12, the employer contributions include portions for pension benefits and for postretirement health care benefits.

M. Long-Term Obligations

The County's modified cash basis financial statements do not report liabilities for bonds or 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 "other financing source" or "capital outlay" are reported at inception. Lease payments are reported when paid.

N. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. 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 positon 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.

P. 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 they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

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

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 Commission removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts 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 the County Commissioners or a County official delegated that authority by resolution or by State Statute.

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 the excess of disbursements over receipts.

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.

Note 3 – Change in Accounting Principle

For 2019, the County implemented GASB Statement No. 84, *Fiduciary Activities* and Implementation Guide No. 2019-2, *Fiduciary Activities.* GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the County's financial statements.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of December 31, 2018:

	Governmental Funds							
	General	MVGT	Job and Family Services	Jail Operations	Developmental Disabilities	Non Major	Total
Fund Balances, December 31, 018	$1,949,847	$476,399	$310,404	$951,303	$1,223,539	$3,165,565	$8,077,057
Adjustments:							
GASB 84	(21,894)	0	0	41,543	0	218,979	238,628
Restated Fund Balances, December 31, 2018	$1,927,953	$476,399	$310,404	$992,846	$1,223,539	$3,384,544	$8,315,685

The implementation of GASB Statement No. 84 had the following effect on net position as of December 31, 2018:

	Governmental Activities
Net Position December 31, 2018	$8,077,057
Adjustments:	
GASB 84	238,628
Restated Net Position December 31, 2018	$8,315,685

The implementation of GASB Statement No. 84 had the following effect on fiduciary net position as of December 31, 2019:

	Fiduciary Funds	
	Agency	Custodial
Net Position December 31, 2018	$2,366,398	$0
Adjustments:		
Assets	(2,366,398)	1,823,538
Restated Net Position December 31, 2018	$0	$1,823,538

Note 4 – Accountability and Compliance

Ohio Administrative Code, Section 117-2-03(B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. The accompanying financial statements omit assets, liabilities, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

Note 5 – Fund Balances

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

Fund Balances	General	Motor Vehicle Gas Tax	Job and Family Services	Jail Operations	Developmental Disabilities	Other Governmental Funds	Totals
Nonspendable:							
Unclaimed Monies	$144,780	$0	$0	$0	$0	$0	$144,780
Restricted for:							
Road Improvements	0	571,910	0	0	0	0	571,910
Human Services	0	0	106,003	0	0	1,124,479	1,230,482
Developmental Disabilities	0	0	0	0	1,376,359	0	1,376,359
Public Safety	0	0	0	1,064,602	0	367,475	1,432,077
Real Estate Assessment	0	0	0	0	0	550,391	550,391
Economic Development	0	0	0	0	0	575,427	575,427
Emergency Management	0	0	0	0	0	303,803	303,803
Court Operations	0	0	0	0	0	811,501	811,501
Dog and Kennel Operations	0	0	0	0	0	161,997	161,997
Clean Ohio	0	0	0	0	0	60	60
Election Operations	0	0	0	0	0	115,303	115,303
Elections Security	0	0	0	0	0	18,653	18,653
Debt Service	0	0	0	0	0	5,072	5,072
Total Restricted	0	571,910	106,003	1,064,602	1,376,359	4,034,161	7,153,035
Committed to:							
Public Safety	0	0	0	0	0	21,572	21,572
Litter Trust	87	0	0	0	0	0	87
Radio Tower	0	0	0	0	0	14,664	14,664
Geographic Information Systems	0	0	0	0	0	7,249	7,249
Total Committed	87	0	0	0	0	43,485	43,572
Assigned to:							
Purchases on Order	35,230	0	0	0	0	0	35,230
Year 2020 Appropriations	433,558	0	0		0	0	433,558
Capital Improvements	0	0	0	0	0	237,112	237,112
Total Assigned	468,788	0	0	0	0	237,112	705,900
Unassigned:	1,387,734	0	0	0	0	0	1,387,734
Total Fund Balances	$2,001,389	$571,910	$106,003	$1,064,602	$1,376,359	$4,314,758	$9,435,021

Note 6 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and cash basis are as follows:

1. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (cash basis).

2. Segregated accounts are reported on the balance sheet (cash basis), but not on the budgetary basis.

3. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (cash basis).

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Jail Operations	Developmental Disabilities
Cash Basis	$73,436	$95,511	($204,401)	$71,756	$152,820
Beginning of Year:					
Segregated Accounts	24,070	2,630	0	41,543	0
Unreported Cash	9,753	0	0	0	1,164
Unreported Interest	35,571	2,508	0	0	0
Undistributed Agency	174,656	0	0	0	31,768
End of Year:					
Segregated Accounts	(50,823)	(3,258)	0	(56,050)	0
Unreported Cash	(59,970)	0	0	(29,027)	0
Unreported Interest	(27,562)	(1,948)	0	0	0
Undistributed Agency	(49,563)	0	0	0	(25,636)
Advance Repayment	0	(42,877)	0	0	0
Encumbrances	(35,230)	0	(9,959)	(31,788)	(11,586)
Budget Basis	$94,338	$52,566	($214,360)	($3,566)	$148,530

Note 7 – Deposits and Investments

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or security 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 and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided 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 the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or its political subdivisions;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

9. Up to forty percent of the County's average portfolio in either of the following

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase.

   b. Bankers acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Cash on Hand At year end, the County had $379,179 in undeposited cash on hand which is included as a part of "Equity in Pooled Cash and Cash Equivalents".

Investments As of December 31, 2019, the County had the following investments:

Investment Type	Fair Value	Maturity	Rating	Percentage of Portfolio
Federated Government Obligations	$ 1,388,069	Less than 30 days	AAAm Standard & Poor	16.24%
Money Market Mutual Funds	250,000	1 Day	N/A	2.92%
Federal Home Loan Bank Notes	499,340	Less than five years	Aaa Moodys	5.84%
Federal Farm Credit Bank Notes	499,855	Less than five years	Aaa Moodys	5.85%
Federal Home Loan Mortgage Corporation Notes	2,247,126	Less than five years	Aaa Moodys	26.29%
Federal National Mortgage Association Notes	498,765	Less than five years	Aaa Moodys	5.83%
STAR Ohio	3,165,275	Average 55.7 Days	AAAm Standard & Poor	37.03%
	$8,548,430			100.00%

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2019. The County's investment measured at fair value is valued using quoted market prices (Level 1 inputs).

Interest Rate Risk The County does not have an investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices. The Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Securities carry a rating of Aaa by Moody's. The General Electric Corporate notes carry a rating of A1 from Moody's.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

Note 8 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a one and one-half percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of all tangible personal property in the County, including motor vehicles, not subject to the sales tax. The sales tax is allocated fifty percent to the County's General Fund and fifty percent to the Sales Tax Trust Custodial Fund, from which the proceeds are distributed to the various taxing districts within the County for use on community improvement projects. 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 Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Note 9 – Property Taxes and Abatements

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, 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 currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 20120 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2019 was $12.00 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

Real Property	$500,883,170
Public Utility Real	88,690
Public Utility Tangible Personal Property	85,188,330
Total Assessed Value	$586,160,190

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds.

For 2019, County property taxes were reduced by $5,046 under enterprise tax zone exemption agreements entered into by the City of Wellston.

Note 10 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 18), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

Property	Deductible	Limits of Coverage
Real Property	$2,500	$42,674,290
General Liability	2,500	1,000,000 Per Occurrence
Law Enforcement	2,500	1,000,000 Per Occurrence
Employee Benefits	2,500	1,000,000 Per Occurrence
Equipment Breakdown	2,500	100,000,000
Medical Expense	0	5,000/50,000
Errors and Omissions	2,500	1,000,000 Per Occurrence
Electronic Equipment/Media Coverage:		
Electronic Media	2,500	100,000 Per Occurrence
Extra Expense	2,500	25,000 Per Occurrence
Crime Coverage:		
Theft, Disappearance, Destruction	2,500	1,000,000 Per Occurrence
Money Orders and Counterfeit Currency	2,500	1,000,000 Per Occurrence
Public Dishonesty	2,500	1,000,000 Per Occurrence
Forgery and Alteration	2,500	1,000,000 Per Occurrence
Computer & Fund Transfer Fraud	2,500	500,000 Per Occurrence
Public Official Bond Excess	2,500	250,000 Per Occurrence
Automobile	2,500	1,000,000 Per Occurrence
Property in Transit	2,500	100,000 Per Occurrence

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year.

For 2019, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 18). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all 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. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County pays all elected officials bonds by State statute.

Note 11 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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/OPEB liability (asset) 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 net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the modified cash basis framework.

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, other than full-time police and firefighters, 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 traditional 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
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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 or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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, current law provides for an annual cost of living adjustment (COLA). 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 on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that 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 annuitization of the benefit (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
2019 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee *	10.0 %	***
2019 Actual Contribution Rates		
Employer:		
Pension ****	14.0 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

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

For 2019, the County's contractually required contribution was $1,519,743 for the traditional plan, $4,849 for the combined plan and $26,150 for the member-directed plan.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 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 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 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 the fiscal year ended June 30, 2019, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. For fiscal year 2019, the contributions rates were equal to the statutory maximum rates and the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was $67,718 for fiscal year 2019.

Pension Liability

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. STRS net pension liability was measured at June 30, 2018 (the latest date for which information is available). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement 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 Traditional Plan	OPERS Combined Plan	STRS	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.07714500%	0.00847800%	0.00389208%	
Prior Measurement Date	0.07832900%	0.00312700%	0.00350581%	
Change in Proportionate Share	-0.00118400%	0.00535100%	0.00038627%	
Proportionate Share of the:				
Net Pension Liability	$21,128,451	$0	$855,781	$21,984,232
Net Pension Asset	0	9,480	0	9,480

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, 2018, 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, 2018, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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 2018, 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 a loss of 2.94 percent for 2018.

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 2018 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 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, 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 for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$31,212,867	$21,128,451	$12,748,211
OPERS Combined Plan	(3,137)	(9,480)	(14,073)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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, 2018. 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, 2018. 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, 2018.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District'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 School District'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 (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	$1,249,756	$855,781	$522,335

Note 12 – Defined Benefit OPEB Plans

Net OPEB Liability

See Note 11 for a description of the Pension liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 allowing 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 was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. 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 2019 was 4.0 percent.

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

The County's contractually required contribution was $7,471 for 2019.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 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 post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability 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
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.073324%	0.0035058%	
Prior Measurement Date	0.080140%	0.0038921%	
Change in Proportionate Share	-0.0068160%	-0.0003863%	
Proportionate Share of the Net OPEB Liability	$9,559,719	$0	$9,559,719

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) 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, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was be effective for the 2018 valuation.

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 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within 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 2018 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 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
County's proportionate share of the net OPEB liability	$12,230,443	$9,559,719	$7,435,787

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 2019 is 10.00 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	$9,188,964	$9,559,719	$9,986,729

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	6 percent initial, 4 percent ultimate
Medicare	5 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	8 percent initial, 4 percent ultimate
Medicare	-5.23 initial, 4 percent 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, 2018, 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 the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

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 11.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended 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 Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. 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.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	($53,604)	($62,524)	($70,053)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($69,629)	($62,542)	($55,344)

Note 13 – Capital Leases – Lessee Disclosure

In 2018, the County entered into a capitalized lease with Mercedes-Benz Financial Services USA, in the amount of $560,538 to be repaid over five years. This agreement was entered into to provide three dump trucks to the Engineer Department. The lease met the criteria of a capital lease as defined by the Statement of Financial Accounting Standards, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments for 2019 were paid from the MVGT Fund. Principal and interest requirements to retire the Engineer Department lease outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$108,279	$13,696	$121,975
2021	112,664	9,311	121,975
2022	117,226	4,748	121,974
	$338,169	$27,755	$365,924

Note 14 – Long-Term Obligations

A schedule of changes in long-term obligations of the County during 2019 follows:

	Principal Outstanding 12/31/18	Additions	Deductions	Principal Outstanding 12/31/19	Amounts Due in One Year
Governmental Activities:					
Ohio Public Works Loans:					
2017 Bridge Replacement - 0%	$69,146	$0	$2,305	$66,841	$1,152
2018 Paving and Bridge Replacement - 0%	481,251	7,720	0	488,971	0
2019 Paving and Bridge Replacement - 0%	0	651,216	0	651,216	0
Total Loans from Direct Borrowings	550,397	658,936	2,305	1,207,028	1,152
2009 Various Purpose General Obligation Bonds:					
Term Bonds - 4.00%	320,000	0	75,000	245,000	60,000
Term Bonds - 4.50%	365,000	0	0	365,000	0
Total General Obligation Bonds From Direct Borrowings	685,000	0	75,000	610,000	60,000
Capital Lease/Purchase Agreements:					
Engineer Dept. Dump Truck Lease	442,233	0	104,064	338,169	108,279
Engineer Department Note - 2.80%	47,496	0	47,496	0	0
	489,729	0	151,560	338,169	108,279
Total	$1,725,126	$658,936	$228,865	$2,155,197	$169,431

On August 26, 2009, the County issued unvoted Various Purpose General Obligation Bonds in the amount of $2,535,000. The general obligation bonds issued included serial and term bonds in the amounts of $1,850,000 and $685,000, respectively.

The Justice Center, Courthouse Portico, and the Courthouse Renovations portions will be retired from the General Bond Retirement Fund with transfers of property tax revenue from the General Fund. The Job and Family Services portion will be retired from the Job and Family Services Center Bond Retirement Fund with rental payments received from the Job and Family Services Special Revenue Fund and property tax revenues transferred from the General Fund. The Fair Board portion will be retired from the Fair Board Bond Retirement Fund from charges for services revenue from the Jackson County Fair Board. The Highway Garage, Track Hoe, Photo Mapping, and Engineer Building portion will be retired from the Motor Vehicle Gasoline Tax Bond Retirement Fund with license and gas tax revenue from the Motor Vehicle Gasoline Tax Special Revenue Fund. The Municipal Court portion will be retired from the Municipal Court Bond Retirement Fund with transfers of charges for services receipts from the Municipal Court Capital Improvements Fund. The Courts Computer portion will be retired from the Courts Computer Bond Retirement Fund with transfers of fines, licenses, and permits revenues from the Computer/Equipment Capital Improvements Fund.

Principal and interest requirements to retire the Various Purpose General Obligations Bonds outstanding at December 31, 2019, are as follows:

Year Ending	Term	
December 31,	Principal	Interest
2020	$60,000	$26,225
2021	60,000	23,828
2022	60,000	21,424
2023	65,000	19,025
2024	65,000	16,425
2025-2028	300,000	34,425
	$610,000	$141,352

The term bonds, issued at $320,000, maturing December 1, 2023, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

December 1,	Amount
2020	$60,000
2021	60,000
2022	60,000
2023	65,000
Total	$245,000

The term bonds, issued at $365,000, maturing December 1, 2028 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

December 31,	Amount
2024	$65,000
2025	70,000
2026	75,000
2027	75,000
2028	80,000
Total	$365,000

On August 14, 2012, the County obtained a Loan from Wesbanco Bank for the purchase of two trucks for the Engineer's department. Payments will be made from the Engineer's Debt Service Fund. Principal and interest requirements were retired in 2019.

On July 1, 2017, the County obtained a loan from Ohio Public Works Commission for initialization of project CO02U for bridge replacement 2017. Payments will be made from the Engineer's OPWC Debt Service fund. Principal and interest requirements to retire the Engineer Department note outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Principal	Total
2020	$1,152	$1,152
2021	2,305	2,305
2022	2,305	2,305
2023	2,305	2,305
2024	2,305	2,305
2025-2029	11,524	11,524
2030-2034	11,524	11,524
2035-2039	11,524	11,524
2040-2044	11,524	11,524
2045-2049	10,372	10,372
	$66,841	$66,841

In 2018, the County obtained a loan from Ohio Public Works Commission for initialization of project CO08V for 2018 Jackson County Paving & Bridge Replacement. The loan was approved for $841,344, with $481,251 being drawn down in 2018 and $7,720 drawn down in 2019. Payments and interest have not been determined due the fact that the loan is pending.

In 2019, the County obtained a loan from Ohio Public Works Commission for the 2019 Jackson County Paving & Bridge Replacement project CO04W. The loan has been approved for $973,570. As of December 31, 2019, $651,216 has been drawn down. Payments and interest have not been determined due to the fact that the loan is pending.

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The County's total debt margin was $10,998,808 and the unvoted debt margin was $3,706,405 at December 31, 2019.

Conduit Debt

To assist private sector in acquiring and constructing facilities deemed to be in the public interest, the County on occasion has issued industrial revenue bonds. Mortgages on the facilities secure the bonds. The bonds are payable solely from payments received on the underlying mortgage loans. Upon repayment of the loans, ownership of the facilities will transfer to the private sector entities. The County, the State, or any other political subdivision is not obligated in any manner for paying the bonds, which are not reflected in the debt schedule above. At December 31, 2019, aggregate principal outstanding on the bonds was $2,725,000.

Note 15 – Interfund Activity and Balances

A. Transfers

During 2019, the following transfers were made:

	Transfer from			
	Major Funds			
Transfer to	General Fund	Motor Vehicle Gasoline Tax	Other Nonmajor Governmental	Total
Other Nonmajor Governmental	$540,994	$71,620	$40,842	$653,456

The transfers were used to move receipts from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them; debt service payments; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Advances

At December 31, 2018, the Other Non-Major Governmental Funds owed the General Fund $7,676 due to cash deficits. These advances were paid back to the General Fund in 2019.

C. Interfund Activity Bonds

During 2013, the County issued Equipment Bonds in the amount of $333,742 to the Engineer's Office for an eight year period at a rate of 3%. The County has purchased this note as an investment. The Motor Vehicle Gasoline Tax Fund was identified as the fund that received the proceeds and the General Fund was identified as the fund that purchased the investment. For reporting purposes, these transactions are reflected as an interfund receivable and an interfund payable in the respective funds. As of December 31, 2019, the balance of $89,653 is pledged to be paid from the Motor Vehicle Gasoline Tax Fund over the next two years.

Principal and interest requirements to maturity on the above bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$44,164	$2,690	$46,854
2021	45,489	1,365	46,854
Total	$89,653	$4,055	$93,708

Note 16 – Jointly Governed Organizations

A. Gallia, Jackson, Meigs, Vinton Solid Waste Management District

The County is a member of the Gallia, Jackson, Meigs, and Vinton Solid Waste Management District (the District), which a jointly governed organization of the four named counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling.

The District is governed and operated through three groups. A twelve member Board of Directors, composed of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member Policy Committee, composed of six members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee.

Each participating County's influence is limited to the numbers of members each appoints to the Board. Continued existence of the District is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. The County made no contributions to the District in 2019.

B. Gallia, Jackson, and Meigs Board of Alcohol, Drug Addiction, and Mental Health Services

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

All of the Board's revenue is derived from State and Federal grants awarded to the multi-county Board. Gallia County serves as fiscal agent for the Board. Continued existence of the ADAMH is not dependent upon the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2019, the County made no payments to the Board.

C. Jackson-Vinton Community Action Agency

The Jackson-Vinton Community Action Agency (the Agency) is a non-profit corporation organized to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Jackson and Vinton Counties. The Agency is governed by a Board composed of public officials from Jackson and Vinton Counties, representatives of the poor in the area served, and officials or members of the private sector of the community.

The Agency controls its own operations and budget. During 2019, the County paid $211,811 to the Agency.

D. Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission (the Commission) is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio. The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is composed of elected and appointed county, municipal, and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Jackson County for its continued existence. During 2019, the County paid $5,841 to the Commission.

E. Regional Child Abuse Prevention Council

The Regional Child Abuse Prevention Council of the Ohio Children’s Trust Fund is a jointly governed organization whereby up to two County Prevention Specialists may be appointed by the Washington County Commissioners to sit on the council. Currently, Jackson County has one appointee. The Regional Child Abuse Prevention Council is the state’s sole public funding source dedicated to preventing child abuse and neglect. Each regional council is directed by a regional prevention coordinator or coordinating entity and led by county prevention specialists. The continued existence of the Regional Child Abuse Prevention Council is not dependent upon the County’s continued participation and no equity interest or debt exists.

F. Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the “Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities (BDD). Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Jackson County BDD’s supportive living program monies. During 2019, the Council received $31,293 from Jackson County.

Note 17 – Joint Venture

South Central Ohio Regional Juvenile Detention Center

The County is a participant with Highland, Pike, Ross, Vinton, and Fayette counties in the South Central Ohio Regional Juvenile Detention Center (the Center) which is a facility that provides temporary housing for juvenile offenders awaiting disposition by the respective juvenile courts of the member counties. The juvenile judge from each participating county appoints one trustee to serve on the Board, except Ross County which appoints two trustees since it is the home county. The Commissioners of each county have final approval of their respective trustee. Each county is obligated to provide financial support to the Center through per diem charges and assessments which are based on the total assessed valuation of each county in proportion to the total assessed valuation of all participating counties. The County has an ongoing financial responsibility for this entity and, during 2019, contributed $149,482 toward the operation of this facility. During 2001, the Board of Trustees for the Center determined that it was necessary to improve the Center by constructing a new facility and making related improvements to the existing facility. This work, completed in 2004, had a total cost of $5,834,000. The County’s equity interest in that Center was determined to be $482,000. The Center is not accumulating significant financial resources or experiencing fiscal distress which would cause an additional financial benefit to or burden on the County. The Ross County Auditor is the fiscal agent for the Center. Complete financial statements of the joint venture can be obtained from the Ross County Auditor, Ross County Courthouse, 2 North Paint Street, Suite G, Chillicothe, Ohio 45601.

Note 18 – Insurance Purchasing Pools

A. County Risk Sharing Authority (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among fifty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage 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.
The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2019 was $110,888.

B. 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 the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year an each elected

Note 19 – Revolving Loan Program

The County participates in a Community Development Block Grant Revolving Loan Program. The goal of the Revolving Loan Fund (RLF) is to enable eligible communities to overcome specific gaps in local capital markets that inhibit business and industry from obtaining suitable credit, and thereby impede local economic growth and stability. The primary goal of each RLF project will be private sector job creation or retention of which at least 51% of such jobs must be taken by or made available to persons from low and moderate income households. The program is administered by the Jackson County Economic Development Commission. At December 31, 2019, total outstanding balances were $410,893, principal loan receipts were $50,322, and the County paid $27,292 in administrative costs.

Note 20 – Contingent Liabilities

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

The County is not currently party to any pending litigation.

Note 21 – Food Stamps

The County's Department of Job and Family Services distributes, through contracting issuance centers, federal food stamps to entitled recipients with Jackson County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient.

Note 22 – Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Major Funds:	
General	$35,230
Job and Family Services	9,959
Jail Operations	31,788
Board of Developmental Disabilities	11,586
Other Nonmajor Funds	51,599
Total	$140,162

Note 23 – Jackson County Airport Authority

The following are the Jackson County Airport Authority (the Authority) notes to the financial statements for the year ended December 31, 2019:

Reporting Entity

The Jackson County Airport Authority (the Authority), Jackson County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Jackson County Commissioners appoint nine Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Jackson County Airport Authority.

Summary of Significant Accounting Policies

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Basis of Presentation

The Authority's financial statements consist of a statement of net position and a statement of receipts, disbursements and changes in fund balances (cash basis).

Basis of Accounting

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

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

Cash and Cash Equivalents

Cash received by the Authority is reflected as "equity in pooled cash and cash equivalents" on the statement of net position. The Authority had no investments during the year ended December 31, 2019.

Long-Term Obligations

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt retirement.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority has no amounts restricted.

Operating Receipts and Disbursements

Operating receipts are those receipts that are generated directly from the primary activity of the Authority. Operating disbursements are necessary costs incurred to provide the service that is the primary activity of the Authority. All receipts and disbursements not meeting this definition are reported as non-operating.

Deposits and Investments

As the Ohio Revised Code permits, the Jackson County Treasurer holds the Authority's deposits as the Authority's custodian. The County holds the Authority's assets in its investment pool, valued at the Treasurer's reported carrying amount. The Authority has no investments.

Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Milton Bank Loan	$75,899	5.50%
Bowman Hangar Promissory Note	111,784	4.15%
Total	$187,683	

On September 3, 2009, the Jackson County Airport Authority obtained a loan from The Milton Banking Company for the Airport Hanger in the amount of $271,951. Semiannual payments are made; the first payment was due on March 3, 2010. Amortization, including interest, is scheduled as follows:

Year Ending December 31:	Principal	Interest
2020	$23,940	$3,850
2021	25,275	2,515
2022	26,684	1,106
Total	$75,899	$7,471

On October 4, 2018, the Jackson County Airport Authority obtained a loan from The Vinton County National Bank for the Bowman Hanger in the amount of $150,000. Donations in the amount of $25,000 were received by the Authority to buy down the debt. Semiannual payments are to be made with the first payment due on April 4, 2019. Amortization, including interest, is scheduled as follows:

Year Ending December 31:	Principal	Interest
2020	$13,974	$4,508
2021	14,573	3,909
2022	15,185	3,297
2023	15,821	2,661
2024	16,484	1,998
2025-2027	35,747	1,907
Total	$111,784	$18,280

Contingencies

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

B. Pending Litigation

The Authority is not party to any pending litigation.

Note 24 – Jackson County Land Reutilization Corporation

The following are the Jackson County Land Reutilization Corporation's (the Corporation) notes to the financial statements for the year ended December 31, 2019:

Reporting Entity

The Jackson County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on April 4, 2017, when the Jackson County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution number 62-17 as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Jackson County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed, and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03(B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of no less than five and no more than nine members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

Summary Of Significant Accounting Policies

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

A. Basis of Presentation

The Corporation's financial statements consist of a statement of receipts, disbursements, and change in fund balance (cash basis).

B. Basis of Accounting

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

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

C. Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

D. Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

E. Net Position

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Directors or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation applies restricted resources first when an expense is incurred for which both restricted and unrestricted net positions are available.

F. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation and that are either unusual in nature on infrequent in occurrence. The Corporation had no extraordinary or special items during 2019.

Deposits

At December 31, 2019, the carrying amount of the Corporation's deposits was $15,565. Based on the criteria described in GASB Statement Number 40, *Deposits and Investment Risk Disclosures,* as of December 31, 2019, the Corporation's bank balance of $15,565 was covered by Federal Deposit Insurance Corporation (FDIC). Custodial credit risk is the risk that in the event of bank failure that the Corporation's deposits may not be returned to it. Protection of the Corporation's cash and deposits is provided by the FDIC.

Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation has obtained commercial insurance from private carriers for the following risks:

- Commercial General Liability
- Directors/Officers Liability

Note 25 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent events periods of the County. The County's investment portfolio in which the County participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Job and Family Services			
Supplemental Nutrition Assistance Program (State Administrative Match)	10.561	G-1819-11-5757	$77,792
		G-2021-11-5944	72,847
Total Supplemental Nutrition Assistance Program (State Administrative Match)			150,639
Passed Through Ohio Department of Natural Resources			
School and Roads - Grants to States	10.665	N/A	2,173
Total U.S. Department of Agriculture			152,812
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Ohio Department of Development			
Community Development Block Grant - State's Program	14.228	B-C-16-1BK-1	1,250
		B-F-16-1BK-1	32,128
		B-F-17-1BK-1	257,808
		B-C-18-1BK-1	215,805
Total Community Development Block Grant - State's Program			506,991
Home Investment Partnerships Program	14.239	B-C-16-1BK-2	350
		B-C-18-1BK-2	198,749
Total Home Investment Partnerships Program			199,099
Total U.S. Department of Housing and Urban Development			706,090
U.S. DEPARTMENT OF INTERIOR			
Direct from Federal Government			
Payment in Lieu of Taxes	15.226	N/A	645
Total U.S. Department of Interior			645
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Natural Resources			
Natural Forest Acquired Lands	15.438	N/A	1,067
Total U.S. Department of Agriculture			1,067
U.S DEPARTMENT OF JUSTICE			
Passed through the Ohio Attorney Generals Office			
Crime Victim Assistance	16.575	2019-VOCA-132132657	20,765
Total U.S. Department of Justice			20,765
U.S DEPARTMENT OF LABOR			
Passed Through Workforce Innovation and Opportunity Act, Area 7			
Employment Services/Wagner-Peyser Funded Activities	17.207	N/A	3,997
Trade Adjustment Assistance	17.245	N/A	649
Workforce Innovation and Opportunity Act (WIOA) Cluster:			
WIOA Adult Program	17.258	N/A	95,180
WIOA Youth Activities	17.259	N/A	134,757
WIOA Dislocated Worker Formula Grants	17.278	N/A	140,711
Total WIOA Cluster			370,648
WIOA National Dislocated Workers Grant/WIA National Emergency Grants	17.277	N/A	172,066
Total U.S. Department of Labor			547,360
U.S. DEPARTMENT OF TRANSPORTATION			
Direct from the Federal Government			
Airport Improvement Program	20.106	N/A	1,207,194
		N/A	4,910
Total Airport Improvement Program			1,212,104
Passed Through Ohio Department of Transportation			
Highway Planning and Construction	20.205	PID #106944	21,568
		PID #108474	52,922
Total Highway Planning and Construction			74,490
Total U.S. Department of Transportation			1,286,594
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Special Education Cluster			
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	38,919
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	6,935
Total Special Education Cluster			45,854
Total U.S. Department of Education			45,854

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
ELECTION ASSISTANCE COMMISSION			
Passed Through Ohio Secretary of State			
HAVA Election Security Grants	90.404	N/A	31,779
Total Election Assistance Commission			31,779
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Job and Family Services			
Promoting Safe and Stable Families	93.556	G-1819-11-5757	1,434
		G-2021-11-5944	5,433
Total Promoting Safe and Stable Families			6,867
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-1819-11-5757	507,881
		G-2021-11-5944	782,425
Total Temporary Assistance for Needy Families (TANF) State Programs			1,290,306
Child Support Enforcement	93.563	G-1819-11-5757	63,048
		G-2021-11-5944	217,299
Total Child Support Enforcement			280,347
Child Care and Development Block Grant	93.575	G-1819-11-5757	23,129
		G-2021-11-5944	17,579
Total Child Care and Development Block Grant			40,708
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1819-11-5757	531
		G-2021-11-5944	31,003
Total Stephanie Tubbs Jones Child Welfare Services Program			31,534
Foster Care	93.658	G-1819-11-5757	129,093
		G-2021-11-5944	450,068
Total Foster Care			579,161
Adoption Assistance	93.659	G-1819-11-5757	13,377
		G-2021-11-5944	21,108
Total Adoption Assistance			34,485
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G-1819-11-5757	80
		G-2021-11-5944	58
Total John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood			138
Childrens Health Insurance Program	93.767	G-1819-11-5757	173,530
		G-2021-11-5944	87,716
Total Childrens Health Insurance Program			261,246
Passed Through Ohio Department of Development Disabilities			
Social Services Block Grant	93.667	N/A	25,419
Passed Through Ohio Department of Job and Family Services			
Social Services Block Grant	93.667	G-1819-11-5757	394,436
		G-2021-11-5944	391,990
Total Social Services Block Grant			811,845
Passed Through Ohio Department of Development Disabilities			
Medical Assistance Program	93.778	N/A	126,292
Passed Through Ohio Department of Job and Family Services			
Medical Assistance Program	93.778	G-1819-11-5757	330,875
		G-2021-11-5944	297,500
Total Medical Assistance Program			754,667
Total U.S. Department of Health and Human Services			4,091,304
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Ohio Emergency Management Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Project #47802	857
		Project #43965	17,634
		Project #43798	55,397
		Project #81012	16,211
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			90,099
Emergency Management Performance Grants	97.042	EMC-2018-EP-00008-S01	44,158
Total Emergency Management Performance Grants			44,158
Homeland Security Grant Program	97.067	EMW-2016-SS-00104-S01	187,841
State Homeland Security Regional Grant Program		EMW-2016-SS-00104-S01	22,681
		EMW-2017-SS-00065-S01	31,837
		EMW-2018-SS-00038-S01	61,365
State Homeland Security Law Enforcement Grant Program		EMW-2018-SS-00038-S01	926
Total Homeland Security Grant Program			304,650
Total U.S. Department of Homeland Security			438,907
Total Expenditures of Federal Awards			**$7,323,177**

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Jackson County (the County) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) with REVOLVING LOAN CASH BALANCE

The current cash balance on the Governments local program income account as of December 31, 2019 is $351,478.

NOTE E - MATCHING REQUIREMENTS

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

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OHIO AUDITOR OF STATE
KEITH FABER

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

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 24, 2020, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Additionally, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2019-002 and 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2019-001.

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 Corrective Action Plan. We did not subject the County's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

November 24, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

Report on Compliance for each Major Federal Program

We have audited Jackson County's, Ohio (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Jackson County's major federal programs for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Community Development Block Grant

As described in finding 2019-004 in the accompanying Schedule of Findings, the County did not comply with requirements regarding cash management applicable to its CFDA 14.228 Community Development Block Grant major federal program. Compliance with this requirement is necessary, in our opinion, for the County to comply with requirements applicable to this program.

Qualified Opinion on Community Development Block Grant

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Community Development Block Grant* paragraph, Jackson County complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Community Development Block Grant* for the year ended December 31, 2019.

Unmodified Opinion on the Other Major Federal Programs

In our opinion, Jackson County complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 2019.

The County's response to our noncompliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the County's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying Schedule of Findings as item 2019-004.

The County's response to our internal control over compliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the County's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 24, 2020

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SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion** • Qualified on Community Development Block Grant – State's Program – CFDA #14.228 • Unmodified on all other programs.	
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • Community Development Block Grant – State's Program – CFDA #14.228 • Airport Improvement Program – CFDA #20.106 • Temporary Assistance for Needy Families (TANF) – CFDA #93.558	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2019-001

Noncompliance

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

Ohio Admin. Code § 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

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

FINDING NUMBER 2019-001 (Continued)

Noncompliance - Ohio Rev. Code § 117.38 (Continued)

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County.

Further, Ohio Rev. Code § 117.38 also provides that entitles filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end.

The County did not file their annual financial report through the Hinkle System until April 16, 2020.

To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles. The County should also file its annual financial report in the Hinkle System by the required date.

Officials' Response: The County does not currently have the resources to meet this requirement. We received an estimate of the cost to report and audit. At the time the Commissioners determined the high cost outweighed the benefit.

FINDING NUMBER 2019-002

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The County's reconciliation process is a three part process. First, The County Treasurer must reconcile his general ledger to the bank. Secondly, the Treasurer's Office must reconcile the Treasurer's fund balance report to the daily statement. Lastly, the County Auditor must reconcile to the County Treasurer's fund balance report.

The County Treasurer's reconciliation as of December 31, 2019 of the general ledger/check book to the bank was not completed until February 14, 2020. In addition, there was no indication on any of the other 2019 monthly reconciliations as to the date they were prepared. The Auditor/Treasurer reconciliation was completed on March 9, 2020. However, the Treasurer's Fund Report was not reconciled to the daily statement and it has not been reconciled for several years.

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness (Continued)

Many reconciling items have been maintained continuously on reconciliations for many years. The outstanding checklist for the PNC Main Reconciliation for the County included $1,734 in checks that date back as early as October 2003. The outstanding checklist for the WesBanco Payroll Reconciliation included $9,053 in checks that date back as early as April 2009. Unknown credits totaling $407, $2,584, and $343 have been on the reconciliation since 2008, 2013, and 2018, respectively. Bank service charges of $47,827 were unrecorded for February 2015 through December 2019. In addition, bank service charges on the EMS Huntington National Bank account of $31,208 were unrecorded from February 2013 through December 31, 2019.

An unknown bank correction of $956 has been on the reconciliation since January 2008. Pay-in errors totaling $42,819 were dated as early as October 2008. Unrecorded sales tax payments and non-sufficient funds of $7,184 and $1,599, respectively, of which the earliest charges date back to February 2013. Sales tax payment of $798 from October 29, 2013 was posted but never cleared the bank. Unknown errors totaling $4,785 were dated as early as October 2007. Heath Department pay-in's not yet transferred to the PNC account totaled $29,505. Fraudulent checks that cleared in December 2016 totaling $2,290 have not yet been reimbursed by the bank.

The reconciliation of payroll outstanding checks/EFT's per the Treasurer's system compared to the Auditor's system was not performed for year end. Therefore, we were unable to determine the errors as noted in previous years in comparison of the payroll outstanding checks/EFT's. Additionally, the payroll account includes a long outstanding reconciling item in the amount of $2,132 in payroll deposits that were not recorded. The payroll account is a clearing account and should reconcile to $0.

Of the $123,404 in outstanding direct deposits not posted by the Treasurer at December 31, 2019, $66,548 were outstanding greater than six months.

The above reconciling items have been uncorrected for an extended period of time and some items have been carried forward as reconciling items since 2003.

Failure to reconcile monthly increases the possibility that the County will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The County Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented, and corrected. The Treasurer should also investigate the variances between the daily statement and the Treasurer's Fund Report and make corrections as needed. This will then allow the daily statement and Treasurer's Fund Report to be reconciled each month. Further, this will also enable the County Auditor to perform timely reconciliations to a corrected Treasurer's Fund Report.

In addition, the County Commissioners should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response: We did not receive a response from Officials to this finding.

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

FINDING NUMBER 2019-003

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

As a result of the audit procedures performed, the financial statements had the following errors that required reclassification:

- The Statement No. 54 of Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 requires amounts as assigned when subsequent appropriations exceed estimated receipts. The County incorrectly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of $433,558;
- Developmental Disabilities Fund intergovernmental receipts of $412,315 were incorrectly classified as other receipts.

The financial statements and notes to the related financial statements were adjusted for the items noted above.

The County Auditor should review revenue account codes in the software system to ensure receipts are properly classified. The County Auditor should also review the financial statement compilation to ensure all receipts and disbursements are properly classified. Further, the County Auditor should review Auditor of State Bulletin 2011-004 for Statement No. 54 for the Governmental Accounting Standards Board (GASB) for proper reporting of fund balances on the financial statements [see GASB Cod. 1800].

Officials' Response: The Auditor will continue to work with departments and offices to classify receipts and disbursements correctly.

3. FINDINGS FOR FEDERAL AWARDS

Noncompliance/Material Weakness – Cash Management

Finding Number:	**2019-004**
CFDA Number and Title:	**CFDA # 14.228 Community Development Block Grant**
Federal Award Identification Number / Year:	**B-C-18-1BK-1**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirement:	**Cash Management**
Pass-Through Entity:	**Ohio Department of Development**
Repeat Finding from Prior Audit?	**Yes**
Prior Audit Finding Number:	**2018-005**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2019-004 (Continued)

Noncompliance/Material Weakness – Cash Management (Continued)

2 CFR § 200.305 provides that grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee. Ohio Development Services Agency, Office of Community Development (OCD), Grant Operations and Financial Management Policy and Procedures Program Policy Notice: OCD 15-06 required grantees to develop a cash management system to minimize the time elapsed between the funds transferred from OCD and funds disbursed by the grantee, in compliance with 2 CFR § 200.305 - Payment. Implementing the cash management system shall ensure disbursed OCD funds-on-hand balance is less than $5,000 within 30 days of receiving the funds. Lump sum drawdowns are not permitted.

In 2019, drawdowns were made, but the disbursements made within the required time period of receipt did not bring the balance on hand to a balance of less than $5,000 for 18% percent of drawdowns. The following funds were drawn down but were not disbursed to a balance of less than $5,000 within thirty days of receipt:

From Grant B-C-18-1BK-1 Community Development Block Grant

- Draw of $55,535 was received by the County on July 9, 2019, however, the money was not expended within thirty days of receipt as required, and the balance exceeded $5,000 until August 21, 2019 or 43 days.
- Draw of $37,870 was received by the County on July 21, 2019, however, the money was not expended within thirty days of receipt as required, and the balance exceeded $5,000 until October 2, 2019 or 73 days.

Based on our testing, utilizing the 1% average 2019 U.S. Treasury Current Value of Funds Rate, we estimate the imputed interest could have been $46 for the year ended December 31, 2019.

The County should monitor the cash balances in these funds to determine when and how much cash to request. This will help to ensure the monies drawn down are expended within the required time frame.

Officials' Response: The money is expended as quickly as possible. There are times when factors outside of our control influence the expenditure timeline. We will continue to work with CDC of Ohio, who administers the grants in question, to timely disburse.

Paul Haller
Jackson, Ohio

Ed Armstrong
Jackson, Ohio

Jon Hensler
Jackson, Ohio

OFFICE OF

JACKSON COUNTY COMMISSIONERS

275 PORTSMOUTH STREET
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) – Not preparing and filing the annual report in accordance with General Accepted Accounting Principles.	Not Corrected.	The County does not currently have the resources to meet this requirement. We received an estimate of the cost to report and audit. At that time, the Commissioners determined the high cost outweighed the benefit.
2018-002	Ohio Rev. Code § 5705.41(D) – Not properly certifying the availability of funds.	Corrected.	
2018-003	An internal control material weakness was issued concerning the timeliness and other deficiencies in the County's reconciliation process.	Not Corrected.	
2018-004	Material weakness for receipts and disbursements not recorded correctly on the County's financial statements.	Not Corrected.	The Auditor will continue to work with associated departments classifying receipts and disbursements correctly.
2018-005	2 CFR § 200.305 – Not complying with the 30 day rule.	Not Corrected.	We will continue to work with CDC, who administers the grants, to comply with the 30 day rule.

Paul Haller
Jackson, Ohio

Ed Armstrong
Jackson, Ohio

Jon Hensler
Jackson, Ohio

OFFICE OF

JACKSON COUNTY COMMISSIONERS

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2019

Finding Number: 2019-001
Planned Corrective Action: The County does not have the resources to correct this finding.
Anticipated Completion Date: N/A
Responsible Contact Person: Tiffany Ridgeway, County Auditor

Finding Number: 2019-002
Planned Corrective Action: No corrective action plan was provided relating to this finding.
Anticipated Completion Date: N/A
Responsible Contact Person: Lee Hubbard, County Treasurer

Finding Number: 2019-003
Planned Corrective Action: The Auditor will work with departments and offices to ensure receipts and expenditures are classified correctly. The Auditor has met with several departments to make sure they are understand how the receipts and expenditures need reported for accurate classification.
Anticipated Completion Date: December 31, 2020
Responsible Contact Person: Tiffany Ridgeway, County Auditor

Finding Number: 2019-004
Planned Corrective Action: We are working with CDC of Ohio to ensure timely disbursements within our control.
Anticipated Completion Date: January 1, 2020
Responsible Contact Person: Jackson County Commissioners

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OHIO AUDITOR OF STATE
KEITH FABER

JACKSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/17/2020

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