



OHIO AUDITOR OF STATE
KEITH FABER



**SENECA COUNTY
DECEMBER 31, 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca 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 accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca County, Ohio, as of December 31, 2019, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Maintenance and Repair and Seneca County Opportunity Center funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

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*. We did not modify our opinion regarding this matter.

As discussed in Note 3, the Seneca Board of Developmental Disabilities' agreement with Seneca Re-Ad Industries, Inc. was amended in July of 2018. A re-evaluation of GASB 14 criteria disclosed Seneca Re-Ad Industries, Inc. will no longer be considered a component unit of Seneca County. We did not modify our opinion regarding this matter.

As discussed in Note 29 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 this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 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

October 28, 2020

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SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 UNAUDITED

The management's discussion and analysis of Seneca County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The total net position of the County decreased \$2,564,393, from December 31, 2018's restated net position. The net position of the governmental activities decreased \$2,310,287, which represents a 2.52 percent decrease over the restated net position at December 31, 2018; meanwhile, the net position of business-type activities decreased \$254,106 or 6.68 percent from December 31, 2018's net position. The County's business-type activities consist of the County Sewer District and Emergency Management Services operations. See Note 3.B in the notes to the financial statements for the restatement required for the implementation of GASB Statement No. 84.
- General revenues accounted for \$23,262,514 or 44.38 percent of total governmental activities revenue. Program specific revenues accounted for \$29,152,844 or 55.62 percent of total governmental activities revenue.
- The County's governmental activities had \$54,395,645 in expenses; \$29,152,844 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$23,262,514 were not adequate to provide for these programs.
- The County's business-type activities had \$1,415,913 in expenses; \$816,054 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$15,753 were not adequate to provide for these programs.
- The General fund, the County's largest major governmental fund, had revenues and other financing sources of \$19,476,526 in 2019, an increase of \$372,695 or 1.95 percent from General fund revenues and other financing sources in 2018, as restated. The General fund had expenditures and other financing uses of \$19,449,118 in 2019, an increase of \$749,185 or 4.01 percent from 2018. The net effect of changes in revenues and expenditures contributed to the General fund balance increase of \$27,408 or 0.36 percent from 2018's restated fund balance.

Using the Basic Financial Statements (BFS)

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

The statement of net position and the statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements illustrate how services were financed in the short-term, as well as what current resources remain for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the County, there are three major governmental funds. The General fund is the largest major fund.

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 UNAUDITED (Continued)

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did the County perform financially during 2019?" These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting, similar to accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position during the year. The change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

In the statement of net position and the statement of activities, the County is divided into two distinct kinds of activities:

Governmental activities - Most of the County's programs and services are reported here, including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the County's most significant funds.

The County's major governmental funds are the General fund, the Maintenance and Repair fund and the Seneca County Opportunity Center (SCOC) fund. The County's major enterprise fund is the County Sewer District.

Governmental Funds

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

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

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 UNAUDITED (Continued)

to facilitate this comparison between governmental funds and governmental activities.

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

Proprietary Funds

The County maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Emergency Medical Services and County Sewer District operations.

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

The RSI contains information regarding the County's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and State Teachers Retirement System (STRS) net pension liability/net pension asset, net OPEB liability/net OPEB asset and the County's schedule of contributions to OPERS and STRS.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole.

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SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

The table below provides a summary of the County's net position at December 31, 2019 and December 31, 2018. The net position at December 31, 2018 has been restated for governmental activities as described in Note 3.B in the notes to the basic financial statements.

	Net Position					
	(Restated)				(Restated)	
	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total 2019	Total 2018
<u>Assets</u>						
Current and other assets	\$ 68,208,862	\$ 61,736,751	\$ 1,708,926	\$ 1,544,829	\$ 69,917,788	\$ 63,281,580
Capital assets	<u>85,652,405</u>	<u>85,222,971</u>	<u>5,455,001</u>	<u>5,788,256</u>	<u>91,107,406</u>	<u>91,011,227</u>
Total assets	<u>153,861,267</u>	<u>146,959,722</u>	<u>7,163,927</u>	<u>7,333,085</u>	<u>161,025,194</u>	<u>154,292,807</u>
<u>Deferred Outflows of Resources</u>	<u>12,740,893</u>	<u>6,797,635</u>	<u>215,681</u>	<u>133,159</u>	<u>12,956,574</u>	<u>6,930,794</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	63,649,900	45,450,917	3,752,967	3,494,297	67,402,867	48,945,214
Other liabilities	<u>2,045,572</u>	<u>1,742,556</u>	<u>62,672</u>	<u>66,264</u>	<u>2,108,244</u>	<u>1,808,820</u>
Total liabilities	<u>65,695,472</u>	<u>47,193,473</u>	<u>3,815,639</u>	<u>3,560,561</u>	<u>69,511,111</u>	<u>50,754,034</u>
<u>Deferred Inflows of Resources</u>	<u>11,647,334</u>	<u>14,732,997</u>	<u>11,331</u>	<u>98,939</u>	<u>11,658,665</u>	<u>14,831,936</u>
<u>Net Position</u>						
Net investment in capital assets	76,128,031	74,912,955	2,633,584	2,909,813	78,761,615	77,822,768
Restricted	23,987,779	22,700,449	160,630	159,388	24,148,409	22,859,837
Unrestricted (deficit)	<u>(10,856,456)</u>	<u>(6,043,763)</u>	<u>758,424</u>	<u>737,543</u>	<u>(10,098,032)</u>	<u>(5,306,220)</u>
Total net position (restated)	<u>\$ 89,259,354</u>	<u>\$ 91,569,641</u>	<u>\$ 3,552,638</u>	<u>\$ 3,806,744</u>	<u>\$ 92,811,992</u>	<u>\$ 95,376,385</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the County's proportionate share of each plan's collective:

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 UNAUDITED (Continued)

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial condition. At December 31, 2019, the County's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$92,811,992. This amounts to \$89,259,354 in the governmental activities and \$3,552,638 in the business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 56.58 percent of total governmental and business-type assets. Capital assets include land and improvements, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The County's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets and amounted to \$78,761,615 at December 31, 2019. Capital assets are used to provide services to citizens and are not available for future spending. Although the County's net investment in capital assets is reported net of related long-term obligations, it should be noted that the resources to repay the related debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2019, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the County's

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019 UNAUDITED (Continued)

net position, \$23,987,779 or 26.87 percent in the governmental activities and \$160,630 or 4.52 percent in the business-type activities, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, which amounts to (\$10,856,456) in the governmental activities and \$758,424 in the business-type activities, may be used to meet the County's ongoing obligations to citizens and creditors.

General government expenses, which include legislative and executive and judicial programs, accounted for \$13,749,840 or 25.28 percent of total governmental expenses. General government expenses were covered by direct charges to users, operating grants and contributions, and capital grants and contributions of \$3,861,141, \$335,548, and \$142,079, respectively, in 2019. The County's largest program in 2019 was health, accounting for \$12,832,887 or 23.59 percent of total governmental expenses. Health activities are provided mainly by the SCOC. Health activities expenses were funded by \$3,974,231 in operating grants and contributions and \$1,930,487 in charges for health services in 2019. Human services programs support the operations of Public Assistance, Victim Assistance, Veteran Services, and the Children Services Board. Human services expenses accounted for \$9,851,670 or 18.11 percent of total governmental activities expenses. These expenses were funded by \$301,046 in charges to users of services and \$6,926,529 in operating grants and contributions in 2019. Public works expenses accounted for \$6,723,245 or 12.36 percent of expenses and were offset by direct charges to users, operating grants and contributions, and capital grants and contributions of \$658,956, \$5,475,002, and \$2,499,187, respectively. Public safety activities include the operations of the County sheriff, coroner, community corrections, homeland security, emergency management, and the Seneca County Youth Center. Public safety expenses accounted for \$10,439,158 or 19.19 percent of total governmental activities expenses. These expenses were funded by \$1,817,771 in charges to users of services and \$1,144,544 in operating grants and contributions in 2019.

The County's direct charges to users of governmental services made up \$8,569,449 or 16.35 percent of total governmental activities revenues. These charges include fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, income from the lease of property, and licenses and permits.

The State and federal government contributed to the County revenues of \$17,942,129 in operating grants and contributions and \$2,641,266 in capital grants and contributions. Operating grants and contributions are restricted to be used for specific County programs, while capital grants and contributions are restricted to be used for the construction or acquisition of facilities and other capital assets.

General revenues totaled \$23,262,514 and amounted to 44.38 percent of total revenues. These revenues primarily consist of property and sales tax revenue of \$18,467,327, or 79.39 percent of total general revenues in 2019. The other primary source of general revenues is unrestricted grants and entitlements of \$2,370,126.

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SENECA COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)**

The table below shows the changes in net position for fiscal year 2019 and 2018. The net position at December 31, 2018 has been restated for governmental activities as described in Note 3.B in the notes to the basic financial statements.

	Change in Net Position					
	(Restated)		Business-type Activities 2019	Business-type Activities 2018	Total 2019	(Restated) Total 2018
	Governmental Activities 2019	Governmental Activities 2018				
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 8,569,449	\$ 8,548,738	\$ 811,318	\$ 757,023	\$ 9,380,767	\$ 9,305,761
Operating grants and contributions	17,942,129	16,071,085	4,736	16,449	17,946,865	16,087,534
Capital grants and contributions	2,641,266	1,754,461	-	-	2,641,266	1,754,461
Total program revenues	29,152,844	26,374,284	816,054	773,472	29,968,898	27,147,756
General revenues:						
Property taxes	9,297,592	8,538,866	-	-	9,297,592	8,538,866
Other local taxes - lodging excise tax	154,757	147,847	-	-	154,757	147,847
Sales tax	9,169,735	8,807,918	-	-	9,169,735	8,807,918
Unrestricted grants	2,370,126	3,210,256	-	-	2,370,126	3,210,256
Contributions and donations	23,656	32,001	-	-	23,656	32,001
Investment earnings	1,215,683	527,459	4,679	3,614	1,220,362	531,073
Other	1,030,965	1,023,826	11,074	9,016	1,042,039	1,032,842
Total general revenues	23,262,514	22,288,173	15,753	12,630	23,278,267	22,300,803
Total revenues	52,415,358	48,662,457	831,807	786,102	53,247,165	49,448,559
<u>Expenses</u>						
Program expenses:						
General government						
Legislative and executive	10,354,894	8,777,003	-	-	10,354,894	8,777,003
Judicial	3,394,946	2,829,782	-	-	3,394,946	2,829,782
Public safety	10,439,158	9,134,089	-	-	10,439,158	9,134,089
Public works	6,723,245	8,407,144	-	-	6,723,245	8,407,144
Health	12,832,887	10,391,991	-	-	12,832,887	10,391,991
Human services	9,851,670	8,850,203	-	-	9,851,670	8,850,203
Conservation and recreation	286,288	218,538	-	-	286,288	218,538
Community and economic development	235,752	460,757	-	-	235,752	460,757
Interest and fiscal charges	276,805	306,852	-	-	276,805	306,852
County Sewer District	-	-	613,311	647,203	613,311	647,203
Emergency Medical Services	-	-	802,602	798,492	802,602	798,492
Total expenses	54,395,645	49,376,359	1,415,913	1,445,695	55,811,558	50,822,054
Excess of revenues over expenses	(1,980,287)	(713,902)	(584,106)	(659,593)	(2,564,393)	(1,373,495)
Transfers	(330,000)	(330,000)	330,000	330,000	-	-
Change in net position	(2,310,287)	(1,043,902)	(254,106)	(329,593)	(2,564,393)	(1,373,495)
Net position at beginning of year (restated)	91,569,641	92,613,543	3,806,744	4,136,337	95,376,385	96,749,880
Net position at end of year	\$ 89,259,354	\$ 91,569,641	\$ 3,552,638	\$ 3,806,744	\$ 92,811,992	\$ 95,376,385

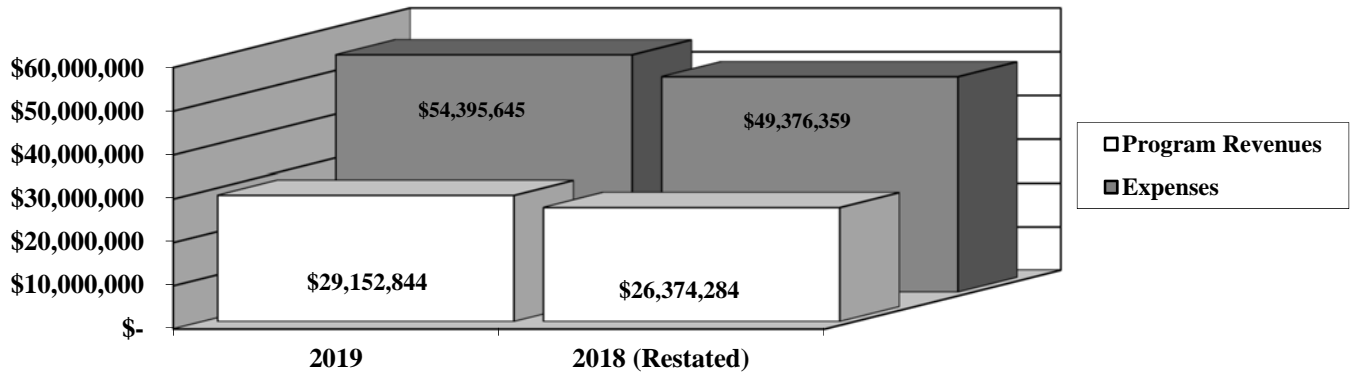
SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

Governmental Activities

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements). The County is reliant upon general revenues to finance operations, as program revenues are not sufficient to cover total expenses.

Governmental Activities - Program Revenues vs. Total Expenses



The table that follows presents the total and net costs of services, or the extent to which the County relies on general revenues to finance current operations, of the governmental activities for 2019 and 2018 as restated as described in Note 3.B in the notes to the basic financial statements.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2019	2019	2018	2018
Program Expenses:				
General government				
Legislative and executive	\$ 10,354,894	\$ 7,467,247	\$ 8,777,003	\$ 6,083,888
Judicial	3,394,946	1,943,825	2,829,782	1,189,849
Public safety	10,439,158	7,476,843	9,134,089	5,872,263
Public works	6,723,245	(1,909,900)	8,407,144	1,864,481
Health	12,832,887	6,928,169	10,391,991	5,895,234
Human services	9,851,670	2,624,095	8,850,203	1,431,688
Conservation and recreation	286,288	286,288	218,538	186,018
Community and economic development	235,752	149,429	460,757	171,802
Interest and fiscal charges	276,805	276,805	306,852	306,852
Total	\$ 54,395,645	\$ 25,242,801	\$ 49,376,359	\$ 23,002,075

Charges for services, operating grants and contributions, and capital grants and contributions totaling \$29,152,844 were used to offset the general government expenses of the County. The remaining \$25,242,801 in general government expenses was partially funded by property taxes, sales taxes and grants and entitlements not restricted to specific

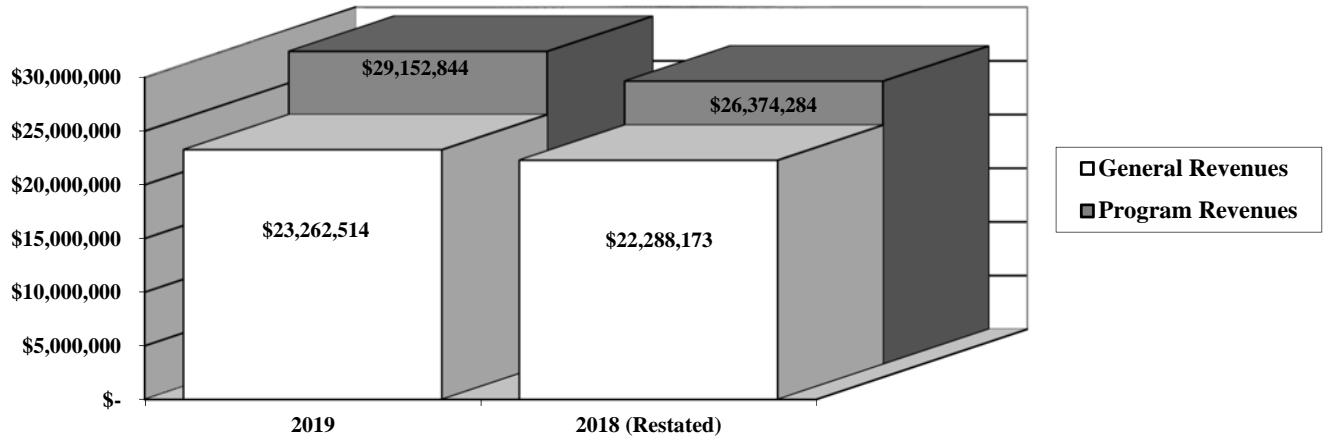
SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

programs. The County's reliance upon general revenues for governmental activities is apparent, with 46.41 percent of expenses supported through taxes and other general revenues during 2019.

The graph below illustrates the County's dependence on general revenues.

Governmental Activities - General and Program Revenues

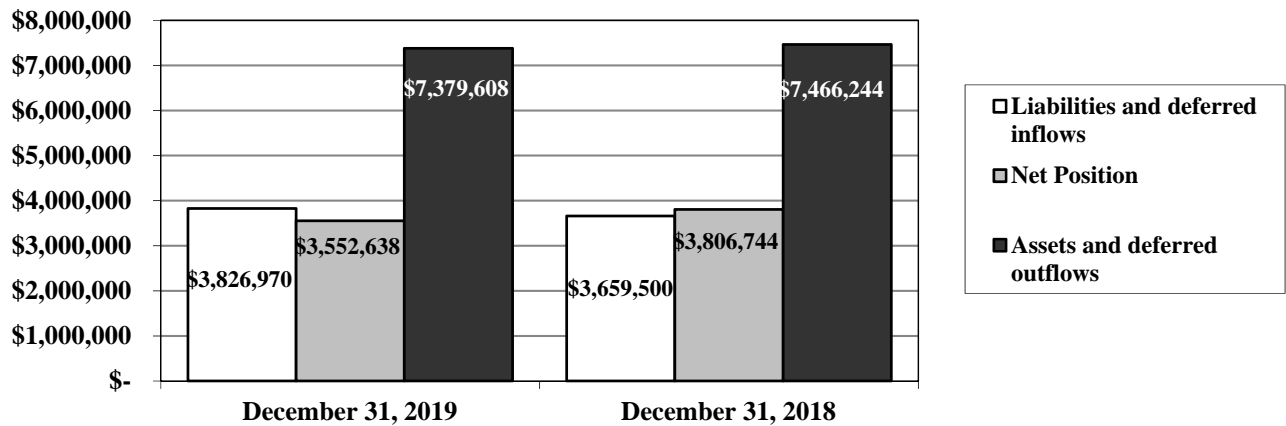


Business-Type Activities

The County Sewer District and Emergency Medical Services are the County's business-type activities. These operations had program revenues of \$816,054, general revenues of \$15,753, transfers in of \$330,000 and expenses of \$1,415,913 for fiscal year 2019. The net position of the business-type activities decreased \$254,106 during 2019.

The following graph illustrates the assets, liabilities, and net position of the County's business-type activities at December 31, 2019 and December 31, 2018.

Net Position of Business - Type Activities



SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

Financial Analysis of the Government's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of current resources and obligations. Such information is useful in assessing the County's financing requirements. In particular, fund balances serve as a useful measure of the County's net resources available for spending at year end.

The County's governmental funds (as reported on the balance sheet) reported a combined fund balance of \$44,735,275 at December 31, 2019, which is \$3,252,184 higher than last year's restated total fund balance of \$41,483,091.

The schedule below indicates the fund balances as of December 31, 2019 and December 31, 2018 and the total change in fund balance during the year for all major governmental funds and the non-major governmental funds in the aggregate. The net position at December 31, 2018 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Fund Balances December 31, 2019	(Restated) Fund Balances December 31, 2018	<u>Change</u>
Major funds:			
General	\$ 7,594,120	\$ 7,566,712	\$ 27,408
Maintenance and Repair	17,336,064	15,978,618	1,357,446
Seneca County Opportunity Center	12,930,993	10,726,662	2,204,331
Nonmajor governmental funds	<u>6,874,098</u>	<u>7,211,099</u>	<u>(337,001)</u>
Total	<u>\$ 44,735,275</u>	<u>\$ 41,483,091</u>	<u>\$ 3,252,184</u>

General Fund

The General fund is the primary operating fund of the County. During 2019, the County's General fund balance increased \$27,408.

The table that follows assists in illustrating the revenues of the General fund.

<u>Revenues</u>	<u>2019 Amount</u>	<u>2018 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 11,160,053	\$ 10,669,572	4.60 %
Charges for services	3,885,060	4,251,684	(8.62) %
Licenses and permits	3,106	3,164	(1.83) %
Fines and forfeitures	180,558	213,752	(15.53) %
Intergovernmental	2,248,526	2,896,147	(22.36) %
Interest	955,201	425,035	124.73 %
Other	<u>848,270</u>	<u>632,207</u>	34.18 %
Total	<u>\$ 19,280,774</u>	<u>\$ 19,091,561</u>	0.99 %

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

Total revenues increased \$189,213 or 0.99 percent. Charges for services decreased primarily due to a decrease in ICE and jail housing fees. Intergovernmental revenue decreased due to a decrease in Medicaid replacement funding. Interest revenue increased as a result of increased earnings on investments during 2019 and reporting investments at fair value. Other revenues of the General fund increased 34.18 percent primarily due to an increase in reimbursements and miscellaneous receipts in 2019. Fines and forfeitures decreased primarily due to a decrease in municipal court fines received in 2019. All other revenues remained comparable to the prior year.

The table that follows assists in illustrating the expenditures of the General fund.

<u>Expenditures</u>	<u>2019 Amount</u>	<u>2018 Amount</u>	<u>Percentage Change</u>
General government:			
Legislative and executive	\$ 6,736,927	\$ 6,175,648	9.09 %
Judicial	2,405,297	2,228,578	7.93 %
Public safety	7,065,838	6,881,734	2.68 %
Public works	94,367	88,989	6.04 %
Health	115,314	120,436	(4.25) %
Human services	484,816	438,657	10.52 %
Conservation and recreation	257,962	162,147	59.09 %
Debt service	<u>3,233</u>	<u>3,233</u>	- %
Total	<u>\$ 17,163,754</u>	<u>\$ 16,099,422</u>	6.61 %

Total expenditures increased \$1,064,332 or 6.61 percent. General government expenditures, which include expenditures related to administrative and court functions, increased during 2019. Conservation and recreation expenditures increased \$95,815 or 59.09 percent due to an increase in services in agriculture and recycling in 2019. Human services expenditures related to military and veteran services increased 10.52 percent from prior year. All other expenditures remained comparable to the prior year.

Maintenance and Repair Fund

The Maintenance and Repair fund, a major governmental fund, had revenues of \$6,943,749 in 2019, an increase of \$1,848,502 from 2018 revenues and other financing sources. The Maintenance and repair fund had expenditures of \$5,586,303 in 2019, an increase of \$918,823 from 2018. The fund balance of the Maintenance and Repair fund increased \$1,357,446 or 8.50 percent from 2018 to 2019.

Seneca County Opportunity Center (SCOC) Fund

The SCOC fund, a major governmental fund, had revenues of \$13,241,750 in 2019, an increase of \$1,750,327 from 2018. The SCOC fund had expenditures of \$11,037,419 in 2019, an increase of \$1,267,613 from 2018. The fund balance of the SCOC fund increased \$2,204,331 or 20.55 percent from 2018 to 2019.

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the County's appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC; therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations may be adjusted accordingly.

Budgetary information is presented for the General fund, Maintenance and Repair fund, and SCOC fund.

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

In the General fund, final budgeted revenues and other financing sources of \$17,957,283 were \$434,017 lower than original budgeted revenues of \$18,391,300. Actual revenues and other financing sources of \$18,859,906 were higher than final budgeted revenues and other financing sources by \$902,623.

General fund final budgeted expenditures and other financing uses of \$20,435,469 were \$1,343,616 higher than original budgeted expenditures and other financing uses of \$19,091,853. Actual expenditures and financing uses of \$20,086,752 were \$348,717 lower than final budgeted expenditures and financing uses.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2019, the County had \$91,107,406 (net of accumulated depreciation) invested in land and improvements (land and improvements not being depreciated, such as road base infrastructure), land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Of this total, \$85,652,405 was reported in the governmental activities and \$5,455,001 was reported in the business-type activities.

The following table shows December 31, 2019 balances compared to December 31, 2018.

**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 21,538,294	\$ 21,133,107	\$ 26,243	\$ 26,243	\$ 21,564,537	\$ 21,159,350
Construction in progress	1,522,326	835,256	-	-	1,522,326	835,256
Land improvements	374,123	413,526	-	-	374,123	413,526
Building and improvements	28,655,443	29,151,261	48,921	55,305	28,704,364	29,206,566
Machinery and equipment	3,626,746	2,785,015	324,990	482,651	3,951,736	3,267,666
Infrastructure	29,935,473	30,904,806	5,054,847	5,224,057	34,990,320	36,128,863
Total	\$ 85,652,405	\$ 85,222,971	\$ 5,455,001	\$ 5,788,256	\$ 91,107,406	\$ 91,011,227

See Note 9 to the basic financial statements for detail on the County's capital assets.

The County's largest capital asset category is infrastructure, which includes roads, bridges and culverts. These items are immovable and of value only to the County; however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 34.95 percent of the County's total governmental capital assets.

The County's largest business-type capital asset category is also infrastructure. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 92.66 percent of the County's total business-type capital assets.

SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED
(Continued)

Debt Administration

At December 31, 2019 the County had \$525,000 in general obligation bonds, \$2,633 in capital lease obligations, \$8,130,000 in special obligation bonds, \$18,600 in OWDA loans, \$450,000 Joint Justice Center Loan, \$3,765 in OPWC loans payable, and \$2,817,652 in sewer district improvement revenue bonds outstanding. Of this total, \$510,290 is due within one year and \$11,437,360 is due in more than one year.

The following table summarizes the bonds, notes and loans outstanding.

	Outstanding Debt, at Year End			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Long-Term Obligations				
General obligation bonds	\$ 525,000	\$ -	\$ 640,000	\$ -
Capital lease obligation	2,633	-	5,652	-
Special obligation bonds	8,130,000	-	8,395,000	-
OWDA loan	18,600	-	23,914	-
Joint Justice Center loan	450,000	-	500,000	-
OPWC loan	-	3,765	-	4,791
Sewer improvement bonds	-	2,817,652	-	2,873,652
Total	<u>\$ 9,126,233</u>	<u>\$ 2,821,417</u>	<u>\$ 9,564,566</u>	<u>\$ 2,878,443</u>

At December 31, 2019 the County's voted legal debt margin was \$28,494,999 and the County's unvoted legal debt margin was \$11,701,340. See Note 11 to the basic financial statements for detail on long-term obligations.

Current Economic Factors

The County's estimated population as of July 1, 2019 per the U.S. Census Bureau is 55,178. The County's average annual unemployment rate during 2019 was 4.5 percent compared to a 4.1 percent average for the State of Ohio.

The County is primarily a rural community with a significant agricultural and durable goods manufacturing presence. The County's \$1.2 billion assessed real property tax base has grown approximately 7.75 percent over the last six years. The growth is based on residential real estate construction and revaluations of property within the County. The County's debt burden remains modest.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Julie A. Adkins, Seneca County Auditor, 109 South Washington Street, Suite 2206, Tiffin, Ohio 44883-2841.

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SENECA COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Seneca County Land Reutilization Corporation	Seneca County Transportation Improvement District
Assets:					
Equity in pooled cash and investments	\$ 41,968,107	\$ 1,415,833	\$ 43,383,940	\$ 192,049	\$ 1,985
Cash and cash equivalents in segregated accounts	208,417	-	208,417	-	-
Cash and cash equivalents with fiscal agent . . .	51,666	-	51,666	-	-
Receivables:					
Sales taxes	2,453,159	-	2,453,159	-	-
Property and other local taxes	11,572,983	-	11,572,983	-	-
Accounts	506,964	288,887	795,851	-	-
Accrued interest	167,923	-	167,923	-	-
Intergovernmental	4,401,386	-	4,401,386	114,748	-
Loans	103,702	-	103,702	-	-
Materials and supplies inventory	618,331	-	618,331	-	-
Prepayments	344,333	3,586	347,919	-	-
Net pension asset	106,793	1,851	108,644	-	-
Net OPEB asset	78,810	-	78,810	-	-
Prepaid bond insurance	29,231	-	29,231	-	-
Assets held for resale	-	-	-	64,474	-
Internal balance	1,231	(1,231)	-	-	-
Investment in joint ventures	5,595,826	-	5,595,826	-	-
Capital assets:					
Non-depreciable capital assets	23,060,620	26,243	23,086,863	-	-
Depreciable capital assets, net	62,591,785	5,428,758	68,020,543	-	-
Total capital assets, net	85,652,405	5,455,001	91,107,406	-	-
Total assets	153,861,267	7,163,927	161,025,194	371,271	1,985
Deferred outflows of resources:					
Pension	11,140,788	189,108	11,329,896	-	-
OPEB	1,600,105	26,573	1,626,678	-	-
Total deferred outflows of resources	12,740,893	215,681	12,956,574	-	-
Liabilities:					
Accounts payable	996,206	14,969	1,011,175	6,109	-
Accrued wages and benefits payable	551,105	9,297	560,402	-	-
Due to other governments	198,076	18,047	216,123	-	-
Accrued interest payable	23,754	19,371	43,125	-	-
Payroll withholding payable	144,968	-	144,968	-	-
Unearned revenue	131,463	988	132,451	-	-
Long-term liabilities:					
Due within one year	475,875	57,343	533,218	-	-
Due in more than one year:					
Net pension liability	35,841,858	602,963	36,444,821	-	-
Net OPEB liability	16,155,783	280,007	16,435,790	-	-
Other amounts	11,176,384	2,812,654	13,989,038	-	-
Total liabilities	65,695,472	3,815,639	69,511,111	6,109	-
Deferred inflows of resources:					
Property taxes levied for the subsequent year . .	10,889,405	-	10,889,405	-	-
Pension	609,428	9,839	619,267	-	-
OPEB	148,501	1,492	149,993	-	-
Total deferred inflows of resources	11,647,334	11,331	11,658,665	-	-
Net position:					
Net investment in capital assets	76,128,031	2,633,584	78,761,615	-	-
Restricted for:					
Capital projects	24,679	-	24,679	-	-
Grants and specific programs	3,555,059	-	3,555,059	-	-
Human services programs	676,136	-	676,136	-	-
Community and economic development	300,040	-	300,040	-	-
SCOC programs	2,966,173	-	2,966,173	-	-
Roads and bridges	16,465,692	-	16,465,692	-	-
Debt service	-	160,630	160,630	-	-
Unrestricted (deficit)	(10,856,456)	758,424	(10,098,032)	365,162	1,985
Total net position	\$ 89,259,354	\$ 3,552,638	\$ 92,811,992	\$ 365,162	\$ 1,985

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive.	\$ 10,354,894	\$ 2,625,522	\$ 120,046	\$ 142,079
Judicial	3,394,946	1,235,619	215,502	-
Public safety.	10,439,158	1,817,771	1,144,544	-
Public works.	6,723,245	658,956	5,475,002	2,499,187
Health	12,832,887	1,930,487	3,974,231	-
Human services	9,851,670	301,046	6,926,529	-
Conservation and recreation.	286,288	-	-	-
Community and economic development	235,752	48	86,275	-
Interest and fiscal charges.	276,805	-	-	-
Total governmental activities	<u>54,395,645</u>	<u>8,569,449</u>	<u>17,942,129</u>	<u>2,641,266</u>
Business-type activities:				
County Sewer District	613,311	482,961	-	-
Emergency Medical Services.	802,602	328,357	4,736	-
Total business-type activities	<u>1,415,913</u>	<u>811,318</u>	<u>4,736</u>	<u>-</u>
Totals	<u>\$ 55,811,558</u>	<u>\$ 9,380,767</u>	<u>\$ 17,946,865</u>	<u>\$ 2,641,266</u>
Component Unit:				
Seneca County Land Reutilization Corporation.	\$ 328,907	\$ -	\$ 636,114	\$ -
Transportation Improvement District Seneca County.	3,014	-	-	-

General revenues:

Property taxes levied for:

- General purposes
- Seneca County Opportunity Center.

Other local taxes levied for:

- Lodging excise tax.
- Sales taxes.
- Grants and entitlements not restricted to specific programs.
- Contributions and donations.
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

Total transfers and general revenues.

Change in net position

Net position (deficit) at beginning of year (restated) .

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Seneca County Land Reutilization Corporation	Seneca County Transportation Improvement District	
\$ (7,467,247)	\$ -	\$ (7,467,247)	\$ -	\$ -	
(1,943,825)	-	(1,943,825)	-	-	
(7,476,843)	-	(7,476,843)	-	-	
1,909,900	-	1,909,900	-	-	
(6,928,169)	-	(6,928,169)	-	-	
(2,624,095)	-	(2,624,095)	-	-	
(286,288)	-	(286,288)	-	-	
(149,429)	-	(149,429)	-	-	
(276,805)	-	(276,805)	-	-	
<u>(25,242,801)</u>	<u>-</u>	<u>(25,242,801)</u>	<u>-</u>	<u>-</u>	
-	(130,350)	(130,350)	-	-	
-	(469,509)	(469,509)	-	-	
<u>-</u>	<u>(599,859)</u>	<u>(599,859)</u>	<u>-</u>	<u>-</u>	
<u>(25,242,801)</u>	<u>(599,859)</u>	<u>(25,842,660)</u>	<u>-</u>	<u>-</u>	
-	-	-	307,207	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,014)</u>	
2,075,368	-	2,075,368	-	-	
7,222,224	-	7,222,224	-	-	
154,757	-	154,757	-	-	
9,169,735	-	9,169,735	-	-	
2,370,126	-	2,370,126	93,793	-	
23,656	-	23,656	35,774	-	
1,215,683	4,679	1,220,362	30	-	
1,030,965	11,074	1,042,039	778	-	
<u>23,262,514</u>	<u>15,753</u>	<u>23,278,267</u>	<u>130,375</u>	<u>-</u>	
<u>(330,000)</u>	<u>330,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>22,932,514</u>	<u>345,753</u>	<u>23,278,267</u>	<u>130,375</u>	<u>-</u>	
(2,310,287)	(254,106)	(2,564,393)	437,582	(3,014)	
91,569,641	3,806,744	95,376,385	(72,420)	4,999	
<u>\$ 89,259,354</u>	<u>\$ 3,552,638</u>	<u>\$ 92,811,992</u>	<u>\$ 365,162</u>	<u>\$ 1,985</u>	

SENECA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Maintenance and Repair</u>	<u>Seneca County Opportunity Center</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 5,299,286	\$ 16,069,020	\$ 13,054,297	\$ 7,545,504	\$ 41,968,107
Cash and cash equivalents in					
segregated accounts	208,417	-	-	-	208,417
Cash and cash equivalents with fiscal agent	-	-	-	51,666	51,666
Receivables:					
Sales taxes	2,453,159	-	-	-	2,453,159
Property and other local taxes	2,708,338	-	8,841,141	23,504	11,572,983
Accounts	274,020	5,510	-	227,434	506,964
Due from other funds	36,678	-	-	89,243	125,921
Interfund loans	34,013	-	-	-	34,013
Accrued interest	140,908	27,015	-	-	167,923
Intergovernmental	1,002,653	2,545,421	453,031	102,072	4,103,177
Loans	-	-	-	103,702	103,702
Loans to other funds	318,167	-	-	-	318,167
Materials and supplies inventory	78,502	518,065	15,096	6,668	618,331
Prepayments	210,750	14,193	50,452	68,938	344,333
Total assets	\$ 12,764,891	\$ 19,179,224	\$ 22,414,017	\$ 8,218,731	\$ 62,576,863
Liabilities:					
Accounts payable	\$ 296,456	\$ 192,226	\$ 115,090	\$ 392,434	\$ 996,206
Accrued wages and benefits payable	245,764	31,898	167,303	106,140	551,105
Matured compensated absences payable	-	-	22,928	-	22,928
Due to other governments	81,778	5,700	51,605	58,993	198,076
Due to other funds	-	2	-	124,688	124,690
Interfund loans payable	-	-	-	34,013	34,013
Loans from other funds	-	-	-	318,167	318,167
Unearned revenue	8,976	-	-	122,487	131,463
Payroll withholding payable	109,799	-	35,169	-	144,968
Total liabilities	742,773	229,826	392,095	1,156,922	2,521,616
Deferred inflows of resources:					
Property taxes levied for the subsequent year	2,550,942	-	8,338,463	-	10,889,405
Delinquent property taxes not available	157,396	-	502,678	-	660,074
Accrued interest not available	92,285	13,516	-	-	105,801
Fines and forfeitures not available	146,547	-	-	187,711	334,258
Intergovernmental revenue not available	541,047	1,599,818	249,788	-	2,390,653
Sales taxes not available	939,781	-	-	-	939,781
Total deferred inflows of resources	4,427,998	1,613,334	9,090,929	187,711	15,319,972
Fund balances:					
Nonspendable	778,248	532,258	65,548	75,606	1,451,660
Restricted	-	16,803,806	12,865,445	6,512,145	36,181,396
Committed	11,855	-	-	-	11,855
Assigned	2,424,484	-	-	571,635	2,996,119
Unassigned (deficit)	4,379,533	-	-	(285,288)	4,094,245
Total fund balances	7,594,120	17,336,064	12,930,993	6,874,098	44,735,275
Total liabilities, deferred inflows of resources and fund balances	\$ 12,764,891	\$ 19,179,224	\$ 22,414,017	\$ 8,218,731	\$ 62,576,863

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total governmental fund balances		\$	44,735,275
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			85,652,405
Investments in joint ventures by the governmental activities are not financial resources and therefore are not reported in the funds.			5,595,826
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Sales taxes receivable	\$	939,781	
Delinquent property taxes receivable		660,074	
Accounts receivable		334,258	
Intergovernmental receivable		2,688,862	
Accrued interest receivable		105,801	
Total		4,728,776	4,728,776
On the statement of net position interest is accrued on outstanding bonds payable, whereas in the governmental funds interest is accrued when due.			(23,754)
Unamortized prepaid bond insurance costs are amortized over the life of the bonds on the statement of net position.			29,231
Unamortized premiums on bond issuances are not recognized in the governmental funds.			(416,741)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(2,086,357)	
Capital lease payable		(2,633)	
General obligation bonds payable		(8,655,000)	
Loans payable		(468,600)	
Total		(11,212,590)	(11,212,590)
The net pension asset is not available to pay for the current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources - pension		11,140,788	
Deferred inflows of resources - pension		(609,428)	
Net pension asset		106,793	
Net pension liability		(35,841,858)	
Total		(25,203,705)	(25,203,705)
The net OPEB asset is not available to pay for the current period expenditures and the net OPEB liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources - OPEB		1,600,105	
Deferred inflows of resources - OPEB		(148,501)	
Net OPEB asset		78,810	
Net OPEB liability		(16,155,783)	
Total		(14,625,369)	(14,625,369)
Net position of governmental activities		\$	89,259,354

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Maintenance and Repair</u>	<u>Seneca County Opportunity Center</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 2,061,502	\$ -	\$ 7,188,672	\$ 154,757	\$ 9,404,931
Sales taxes	9,098,551	-	-	-	9,098,551
Special assessments	-	-	-	480,862	480,862
Charges for services	3,885,060	37,506	1,648,583	1,526,065	7,097,214
Licenses and permits	3,106	-	-	25,118	28,224
Fines and forfeitures	180,558	44,321	-	372,438	597,317
Intergovernmental	2,248,526	6,647,318	4,295,008	9,214,264	22,405,116
Interest	955,201	155,180	-	13,233	1,123,614
Rent	116,296	-	77,826	171,218	365,340
Contributions and donations	23,656	-	4,158	20,440	48,254
Other	708,318	59,424	27,503	235,810	1,031,055
Total revenues	<u>19,280,774</u>	<u>6,943,749</u>	<u>13,241,750</u>	<u>12,214,205</u>	<u>51,680,478</u>
Expenditures:					
Current:					
General government:					
Legislative and executive	6,736,927	-	-	1,187,022	7,923,949
Judicial	2,405,297	-	-	302,130	2,707,427
Public safety	7,065,838	-	-	1,720,251	8,786,089
Public works	94,367	5,586,303	-	193,854	5,874,524
Health	115,314	-	11,037,419	364,262	11,516,995
Human services	484,816	-	-	8,011,496	8,496,312
Conservation and recreation	257,962	-	-	-	257,962
Community and economic development	-	-	-	235,752	235,752
Capital outlay	-	-	-	1,570,711	1,570,711
Debt service:					
Principal retirement	3,019	-	-	435,314	438,333
Interest and fiscal charges	214	-	-	295,110	295,324
Total expenditures	<u>17,163,754</u>	<u>5,586,303</u>	<u>11,037,419</u>	<u>14,315,902</u>	<u>48,103,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,117,020</u>	<u>1,357,446</u>	<u>2,204,331</u>	<u>(2,101,697)</u>	<u>3,577,100</u>
Other financing sources (uses):					
Sale of capital assets	5,084	-	-	-	5,084
Transfers in	190,668	-	-	1,960,364	2,151,032
Transfers (out)	<u>(2,285,364)</u>	<u>-</u>	<u>-</u>	<u>(195,668)</u>	<u>(2,481,032)</u>
Total other financing sources (uses)	<u>(2,089,612)</u>	<u>-</u>	<u>-</u>	<u>1,764,696</u>	<u>(324,916)</u>
Net change in fund balances	27,408	1,357,446	2,204,331	(337,001)	3,252,184
Fund balances at beginning of year (restated)	<u>7,566,712</u>	<u>15,978,618</u>	<u>10,726,662</u>	<u>7,211,099</u>	<u>41,483,091</u>
Fund balances at end of year	<u>\$ 7,594,120</u>	<u>\$ 17,336,064</u>	<u>\$ 12,930,993</u>	<u>\$ 6,874,098</u>	<u>\$ 44,735,275</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds	\$	3,252,184
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 6,840,041	
Current year depreciation	<u>(4,142,630)</u>	
Total		2,697,411
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(2,267,977)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	71,184	
Property taxes	47,418	
Intergovernmental revenues	523,640	
Accounts receivable	569	
Investment income	<u>92,069</u>	
Total		734,880
Equity interests in joint ventures do not represent current resources and are not reported in the funds; however, gains or losses resulting from these investments increase or decrease assets on the statement of net position.		385,417
Repayment of bond, loans and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		438,333
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	838	
Amortization of bond premiums	19,015	
Amortization of prepaid bond insurance	<u>(1,334)</u>	
Total		18,519
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		2,641,481
OPEB		(8,249,532)
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		18,206
OPEB		(1,675,358)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(303,851)</u>
Change in net position of governmental activities	\$	<u>(2,310,287)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 1,924,500	\$ 2,051,994	\$ 2,051,994	\$ -
Sales taxes	8,679,000	8,679,000	8,991,886	312,886
Charges for services	3,790,900	3,511,440	3,527,694	16,254
Licenses and permits	2,505	3,056	3,106	50
Fines and forfeitures	194,000	181,039	181,039	-
Intergovernmental	2,588,654	2,201,194	2,219,918	18,724
Interest	525,300	541,157	709,147	167,990
Rent	111,345	110,224	110,224	-
Contributions and donations	10,000	23,656	23,656	-
Other	276,500	458,771	468,447	9,676
Total revenues	<u>18,102,704</u>	<u>17,761,531</u>	<u>18,287,111</u>	<u>525,580</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	7,086,398	6,919,374	6,706,901	212,473
Judicial	2,763,961	2,660,354	2,526,389	133,965
Public safety	7,117,100	7,093,782	7,071,356	22,426
Public works	92,008	91,933	87,848	4,085
Health	115,855	115,599	115,599	-
Human services	740,990	636,111	573,616	62,495
Conservation and recreation	189,429	274,628	263,086	11,542
Total expenditures	<u>18,105,741</u>	<u>17,791,781</u>	<u>17,344,795</u>	<u>446,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,037)</u>	<u>(30,250)</u>	<u>942,316</u>	<u>972,566</u>
Other financing sources (uses):				
Sale of capital assets	-	5,084	5,084	-
Advances in	-	-	377,043	377,043
Advances (out)	-	-	(58,913)	(58,913)
Transfers in	288,596	190,668	190,668	-
Transfers (out)	(986,112)	(2,643,688)	(2,683,044)	(39,356)
Total other financing sources (uses)	<u>(697,516)</u>	<u>(2,447,936)</u>	<u>(2,169,162)</u>	<u>278,774</u>
Net change in fund balance	(700,553)	(2,478,186)	(1,226,846)	1,251,340
Fund balance at beginning of year	1,111,958	1,111,958	1,111,958	-
Prior year encumbrances appropriated . . .	1,128,497	1,128,497	1,128,497	-
Fund balance at end of year	<u>\$ 1,539,902</u>	<u>\$ (237,731)</u>	<u>\$ 1,013,609</u>	<u>\$ 1,251,340</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 37,373	\$ 27,373
Fines and forfeitures	15,000	15,000	43,704	28,704
Intergovernmental	4,000,000	4,000,000	6,498,954	2,498,954
Interest	40,000	40,000	72,505	32,505
Other	25,500	25,500	56,433	30,933
Total revenues	<u>4,090,500</u>	<u>4,090,500</u>	<u>6,708,969</u>	<u>2,618,469</u>
Expenditures:				
Current:				
Public works	4,437,910	6,105,617	5,907,007	198,610
Excess (deficiency) of revenues over (under) expenditures	<u>(347,410)</u>	<u>(2,015,117)</u>	<u>801,962</u>	<u>2,817,079</u>
Other financing sources:				
Sale of capital assets	5,000	5,000	-	(5,000)
Net change in fund balance	(342,410)	(2,010,117)	801,962	2,812,079
Fund balance at beginning of year	14,222,290	14,222,290	14,222,290	-
Prior year encumbrances appropriated . . .	617,813	617,813	617,813	-
Fund balance at end of year	<u>\$ 14,497,693</u>	<u>\$ 12,829,986</u>	<u>\$ 15,642,065</u>	<u>\$ 2,812,079</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SENECA COUNTY OPPORTUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 6,426,000	\$ 7,145,132	\$ 7,145,132	\$ -
Charges for services	2,010,300	1,622,436	1,648,583	26,147
Intergovernmental	3,188,926	3,763,720	4,091,916	328,196
Rent	99,431	77,826	77,826	-
Contributions and donations.	4,000	2,349	4,158	1,809
Other.	-	24,539	27,352	2,813
Total revenues	<u>11,728,657</u>	<u>12,636,002</u>	<u>12,994,967</u>	<u>358,965</u>
Expenditures:				
Current:				
Health.	<u>21,651,126</u>	<u>21,379,478</u>	<u>12,068,099</u>	<u>9,311,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,922,469)</u>	<u>(8,743,476)</u>	<u>926,868</u>	<u>9,670,344</u>
Other financing (uses):				
Transfers (out).	<u>(500,000)</u>	<u>(165,000)</u>	<u>-</u>	<u>165,000</u>
Net change in fund balance	(10,422,469)	(8,908,476)	926,868	9,835,344
Fund balance at beginning of year	9,924,640	9,924,640	9,924,640	-
Prior year encumbrances appropriated . . .	844,939	844,939	844,939	-
Fund balance at end of year	<u>\$ 347,110</u>	<u>\$ 1,861,103</u>	<u>\$ 11,696,447</u>	<u>\$ 9,835,344</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 774,238	\$ 641,595	\$ 1,415,833
Receivables:			
Accounts	170,546	118,341	288,887
Prepayments	972	2,614	3,586
Total current assets	<u>945,756</u>	<u>762,550</u>	<u>1,708,306</u>
Noncurrent assets:			
Net pension asset	387	1,464	1,851
Capital assets:			
Non-depreciable capital assets	26,243	-	26,243
Depreciable capital assets, net	5,108,372	320,386	5,428,758
Total capital assets, net	<u>5,134,615</u>	<u>320,386</u>	<u>5,455,001</u>
Total noncurrent assets	<u>5,135,002</u>	<u>321,850</u>	<u>5,456,852</u>
Total assets	<u>6,080,758</u>	<u>1,084,400</u>	<u>7,165,158</u>
Deferred outflows of resources:			
Pension	37,716	151,392	189,108
OPEB	4,659	21,914	26,573
Total deferred outflows of resources	<u>42,375</u>	<u>173,306</u>	<u>215,681</u>
Liabilities:			
Current liabilities:			
Accounts payable	8,431	6,538	14,969
Accrued wages and benefits payable	1,847	7,450	9,297
Due to other funds	1,230	1	1,231
Due to other governments	16,788	1,259	18,047
Unearned revenue	988	-	988
Accrued interest payable	19,371	-	19,371
Revenue bonds payable	57,000	-	57,000
OPWC loans payable	343	-	343
Total current liabilities	<u>105,998</u>	<u>15,248</u>	<u>121,246</u>
Long-term liabilities:			
Compensated absences payable	-	48,580	48,580
Revenue bonds payable	2,760,652	-	2,760,652
OPWC loans payable	3,422	-	3,422
Net pension liability	126,098	476,865	602,963
Net OPEB liability	58,558	221,449	280,007
Total long-term liabilities	<u>2,948,730</u>	<u>746,894</u>	<u>3,695,624</u>
Total liabilities	<u>3,054,728</u>	<u>762,142</u>	<u>3,816,870</u>
Deferred inflows of resources:			
Pension	2,989	6,850	9,839
OPEB	891	601	1,492
Total deferred inflows of resources	<u>3,880</u>	<u>7,451</u>	<u>11,331</u>
Net position:			
Net investment in capital assets	2,313,198	320,386	2,633,584
Restricted for debt service	160,630	-	160,630
Unrestricted	590,697	167,727	758,424
Total net position	<u>\$ 3,064,525</u>	<u>\$ 488,113</u>	<u>\$ 3,552,638</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Operating revenues:			
Charges for services	\$ 481,562	\$ 328,357	\$ 809,919
Tap-in fees	1,399	-	1,399
Other operating revenues.	988	3,536	4,524
Total operating revenues.	483,949	331,893	815,842
Operating expenses:			
Personal services	101,579	474,779	576,358
Contract services	248,937	90,688	339,625
Materials and supplies	6,411	52,553	58,964
Depreciation	177,067	156,188	333,255
Other	677	28,394	29,071
Total operating expenses	534,671	802,602	1,337,273
Operating loss	(50,722)	(470,709)	(521,431)
Nonoperating revenues (expenses):			
Interest income	4,679	-	4,679
Interest and fiscal charges	(78,640)	-	(78,640)
Gain on disposal of capital assets.	-	6,550	6,550
Grants and subsidies	-	4,736	4,736
Total nonoperating revenues (expenses)	(73,961)	11,286	(62,675)
Loss before transfers	(124,683)	(459,423)	(584,106)
Transfer in	-	330,000	330,000
Change in net position	(124,683)	(129,423)	(254,106)
Net position at beginning of year	3,189,208	617,536	3,806,744
Net position at end of year.	\$ 3,064,525	\$ 488,113	\$ 3,552,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Cash flows from operating activities:			
Cash received from customers	\$ 491,351	\$ 328,895	\$ 820,246
Cash received from tap-in fees	1,399	-	1,399
Cash received from other operations	988	4,073	5,061
Cash payments for personal services	(78,063)	(350,165)	(428,228)
Cash payments for contractual services	(253,486)	(86,944)	(340,430)
Cash payments for materials and supplies	(6,806)	(54,217)	(61,023)
Cash payments for other expenses	(985)	(28,787)	(29,772)
Net cash provided by (used in) operating activities. . .	154,398	(187,145)	(32,747)
Cash flows from noncapital financing activities:			
Cash received from grants and subsidies		4,736	4,736
Cash received from transfers in	167,122	330,000	497,122
Cash used in transfers out	(167,122)	-	(167,122)
Net cash provided by noncapital financing activities. .	-	334,736	334,736
Cash flows from capital and related financing activities:			
Sale of capital assets	-	6,550	6,550
Principal retirement on revenue bonds	(56,000)	-	(56,000)
Principal retirement on loans	(1,026)	-	(1,026)
Interest and fiscal charges	(79,025)	-	(79,025)
Net cash provided by (used in) capital and related financing activities.	(136,051)	6,550	(129,501)
Cash flows from investing activities:			
Interest received	4,679	-	4,679
Net increase in cash and cash equivalents	23,026	154,141	177,167
Cash and cash equivalents at beginning of year	751,212	487,454	1,238,666
Cash and cash equivalents at end of year	<u>\$ 774,238</u>	<u>\$ 641,595</u>	<u>\$ 1,415,833</u>

-- (Continued)

SENECA COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (50,722)	\$ (470,709)	\$ (521,431)
Adjustments:			
Depreciation	177,067	156,188	333,255
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable.	11,219	538	11,757
Prepayments.	(301)	111	(190)
Net pension asset	193	640	833
Deferred outflows - pension	(19,324)	(57,672)	(76,996)
Deferred outflows - OPEB	(930)	(4,596)	(5,526)
Accounts payable	(1,860)	2,081	221
Accrued wages and benefits	286	1,313	1,599
Due to other governments	(3,742)	145	(3,597)
Amounts due to other funds.	671	(1)	670
Compensated absences payable	-	3,088	3,088
Net pension liability.	52,725	210,502	263,227
Net OPEB liability	8,749	40,632	49,381
Deferred inflows - pension	(15,370)	(56,536)	(71,906)
Deferred inflows - OPEB	(2,833)	(12,869)	(15,702)
Unearned revenue.	(1,430)	-	(1,430)
Net cash provided by (used in) operating activities	<u>\$ 154,398</u>	<u>\$ (187,145)</u>	<u>\$ (32,747)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Custodial
Assets:	
Equity in pooled cash and cash equivalents.	\$ 11,458,154
Cash in segregated accounts	172,798
Receivables (net of allowances for uncollectibles):	
Taxes - current	61,020,980
Taxes - delinquent	3,364,091
Accounts	915,734
Due from other governments	3,188,493
Prepayments	50,663
 Total assets	 80,170,913
Liabilities:	
Accounts payable	476,818
Accrued wages and benefits	64,404
Compensated absences payable	255,447
Due to other governments	1,348,097
Unearned revenue	75
 Total liabilities	 2,144,841
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	61,020,980
 Net position:	
Restricted for individuals, organizations and other governments .	\$ 17,005,092

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial
Additions:	
Intergovernmental	\$ 9,373,509
Amounts received as fiscal agent	12,252,682
Licenses, permits and fees for other governments	5,293,796
Fines and forfeitures for other governments	715,646
Property tax collection for other governments	49,523,177
Special assessments collections for other governments	506,860
Other custodial fund collections	709,548
Total additions	78,375,218
Deductions:	
Distributions of state funds to other governments	9,742,236
Distributions as fiscal agent	12,826,598
Distributions to individuals	708,468
Licenses, permits and fees distributions to other governments	5,097,377
Fines and forfeitures distributions to other governments	743,262
Property tax distributions to other governments	49,152,520
Special assessment distributions to other governments	506,860
Other custodial fund disbursements	292
Total deductions	78,777,613
Net change in fiduciary net position	(402,395)
Net position beginning of year (restated)	17,407,487
Net position end of year	\$ 17,005,092

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - REPORTING ENTITY

Seneca County, Ohio (the County) was created in 1824. The County is governed by a Board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges and a Probate/Juvenile Court Judge. The County Commissioners authorize expenditures and serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County, although the elected officials manage the internal operations of their respective departments.

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure 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. Seneca County boards include the Board of Developmental Disabilities (Board of DD), the Job and Family Services Department and all departments and activities that are operated directly by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable if it appoints a voting majority of the organization's governing body and 1) the County is able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. Component units also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the issuance of the organization's debt or the levying of the organization's taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. The County has two component units.

Component Units - The component unit columns on the entity-wide financial statements includes the financial data of the County's discretely presented component units Seneca County Land Reutilization Corporation and the Seneca County Transportation Improvement District. The component units are reported in separate columns to emphasize that they are legally separate from the County. Information in the following notes is applicable to the primary government. Information relative to the component units are presented in Notes 21-22.

Seneca County Land Reutilization Corporation

The Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the County). By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and return properties to productive use. Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five 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 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. Separately issued financial statements can be obtained from the Seneca County Land Reutilization Corporation, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

Seneca County Transportation Improvement District (SCTID)

The SCTID is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The SCTID was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The SCTID was created by action of the Board of Seneca County Commissioners on October 25, 2017. The SCTID is governed by a Board of Trustees that acts as the authoritative and legislative

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Seneca County Commissioners. In addition, the County is able to impose its will on the SCTID. SCTID's year end is December 31. Separately issued financial statements can be obtained from the Seneca County Transportation Improvement District, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

Related Organizations - Seneca County officials are responsible for appointing a voting majority of the board members of the Seneca County Emergency Planning Commission, Tiffin Seneca Public Library, Seneca County Museum Advisory Board, Seneca County Convention and Visitors' Bureau and Seneca Metropolitan Housing Authority; however, Seneca County is not financially accountable for these entities because it cannot impose its will on any of these organizations and a financial benefit/burden relationship does not exist.

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

- Seneca County General Health District
- Seneca County Emergency Planning Commission
- Seneca County Soil and Water Conservation District
- Seneca, Sandusky, Wyandot Mental Health & Recovery Services Board
- Seneca County Regional Planning Commission
- Seneca County Park District

The following organizations are joint ventures, jointly governed organizations and pools in which the County participates.

Sandusky County-Seneca County - City of Tiffin Port Authority

The Port Authority, a joint venture of Sandusky and Seneca Counties and the City of Tiffin, is established under the authority of Sections 4582.21 et. seq., of the Revised Code, with territorial limits co-terminus with the boundaries of the Counties, with Tiffin being within the boundaries of Seneca County. The Port Authority is governed by a seven member Board of Directors, consisting of two members from each of the counties and the city, with the seventh member being rotated between the three entities every four years. The members are appointed by the County Commissioners in the Counties, and by the Mayor of Tiffin in the City. Appointed members may hold no other public office or public employment except Notary Public, member of the State Militia, or member of a reserve component of the United States Armed Forces. Initial funding for organizational expenses, including purchase of real or personal property by the Port Authority, was contributed by each subdivision with no obligation of future contributions or financial support. The contributions were equal and simultaneous. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City and resolutions by the Counties. Any real or personal property will be returned to the subdivision from which it was received.

Upon dissolution of the Port Authority, any remaining balances of the Port Authority's funds will be distributed equally to the City and the Counties after paying all expenses and debts.

Ottawa-Sandusky-Seneca County Solid Waste District

The Solid Waste District is a joint venture of Ottawa, Sandusky, and Seneca Counties and is established under the authority of Section 3734.54 of the Ohio Revised Code. The cost of operations and expenses is to be funded by fees collected by the District. In the event that fees are not sufficient for the purpose, the Counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective Counties bear to the total population of all the Counties. Upon the withdrawal of a county from the District, the Board of Directors shall ascertain, apportion, and order a division of the funds on hand, credits and real personal property of the District, either in money or in kind, on any equitable basis between

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

the District and the withdrawing county. Should the District be dissolved, the Boards of County Commissioners shall continue to levy and collect taxes for the payment of any outstanding indebtedness. The Solid Waste District is governed by the three commissioners of each county involved.

Mental Health and Recovery Services (MHRS)

The Mental Health and Recovery Services Board is a joint venture between Seneca, Sandusky and Wyandot counties. The headquarters for the Mental Health Board is in Seneca County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, a fourteen-member Board is the governing body. Eight members of the Board are appointed by the Board of County Commissioners from the respective counties of which members are residents, and six members are appointed by the State of Ohio, Department of Mental Health and Addiction Services. Revenues to provide mental health services are generated through state and federal grants. The Mental Health Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits. Seneca County is acting as fiscal agent to the Mental Health Board.

Northland Homes and Properties, Inc.

Northland Homes and Properties, Inc. is a not-for-profit corporation organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code of 1986. The corporation is a joint venture of the Board of DD of Seneca, Crawford, and Marion counties to provide a lifetime of affordable housing and residential services to citizens with developmental disabilities. The corporation is governed by a board of at least ten trustees with each participating county board of developmental disabilities appointing two. The trustees shall serve a maximum of three consecutive three-year terms.

County Risk Sharing Authority, Inc. (CORSA)

The County is a member of CORSA, which is a risk sharing pool among thirty-six counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes 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 CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

County Employee Benefits Consortium of Ohio, Inc. (CEBCO)

The County is a member of CEBCO, which is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage to thirty-six counties in Ohio. CEBCO is a nonprofit organization formed by the County Commissioners Association of Ohio (CCAO) to provide cost-effective employee benefit programs for Ohio county governments. Various plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit copays, and out-of-pocket maximums. CEBCO is governed by a board of directors composed mainly of representatives of counties that participate in the program. Premiums are paid on a monthly basis. Pursuant to participation agreements with CEBCO, each member agrees to pay all funding rates associated with the coverage it elects; as such, funding rates are set and billed to the members by CEBCO. The assigned funding rates consist of the following components: administrative fees, stop-loss fees, expected claim costs, and reserves. Reserves are actuarially determined and allocated based on expected claim activity. Rates are calculated to cover the administrative expenses and expected claims costs of the program.

County Commissioners' Association of Ohio Service Corporation (CCAOSC)

The CCAOSC is an Ohio corporation established to create an employer group workers compensation-rating plan as regulated by Section 4123.29 of the Ohio Revised Code. The CCAOSC is intended to achieve lower workers' compensation rates for the Group and establish safer working conditions and environments for each

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

participant. The corporation is administered by a Group Executive Committee, which consists of seven members. Two of the members are the President and Treasurer of CCAOSC and five members, who must be County Commissioners, are elected by the participants as their representatives.

North Central Ohio Regional Council of Governments (NCORcog)

NCORcog is a legally separate body politic and corporate served by an eight-member Board of Directors that meets the definition of regional Council of governments under Chapter 167 of the Ohio Revised Code. NCORcog is a regional source for shared services. Cost savings achieved are designed to not only maintain existing essential services, but to enhance them as well.

The initial, founding members, and Board of Directors are the North Central Ohio ESC, Seneca County, the City of Tiffin, Clinton Township, the Village of New Riegel, North Central Academy, Tiffin City School District, and Seneca East Local School District. The Superintendent of the North Central Ohio ESC serves as Chair of the Board. The Chair is a non-voting member and shall only vote in the event of a tie. The treasurer of North Central Ohio ESC serves as ex-officio/advisor for fiscal matters and is also a non-voting member. Membership is voluntary pursuant to resolution, ordinance or other appropriate action. Application of membership shall be subject to approval by the Board of Directors. Each political subdivision is entitled to one vote. The North Central Ohio ESC serves as the fiscal agent. NCORcog issues a publicly available, stand-alone financial report. The report may be obtained by writing to the Treasurer of the North Central Ohio ESC, 928 West Market Street, Tiffin, Ohio 44883.

Clearwater Council of Governments

The Clearwater Council of Governments (Clearwater) is a regional council of governments comprised of the Boards of Developmental Disabilities (DD) of Crawford, Erie, Huron, Marion, Morrow, Ottawa, Sandusky, Seneca, and Wyandot Counties. The Board of Directors is made up of the superintendents from each of these DD Boards. Clearwater is the administrator of various grant monies for each these Boards of DD. The degree of control exercised by any participating government is limited to its representation of the Board. Financial information can be obtained from the Clearwater Council of Governments, 8200 West State Route 163, Oak Harbor, Ohio, 43449.

Metro-Richland County (METRICH)

The County is a member of the Metro-Richland County Enforcement Unit which is a jointly governed organization between Crawford, Huron, Morrow, Knox, Seneca, Marion, Ashland, Hancock and Wyandot Counties, the City of Mansfield, the City of Tiffin and 38 other communities. METRICH remains one of the only decentralized task forces in the state promoting a Community Policing philosophy approach to task force operations. There is a control group in each county (Prosecutor, Sheriff, and chiefs of Police) that direct local efforts including setting local goals and objectives in support of the regional goals and objectives.

The METRICH Control Board is represented by each of the nine Prosecutors, Sheriffs and the Chief of Police of the participating agencies. Funding is obtained through grants administered by the Ohio Office of Criminal Justice Services (OCJS). This grant funding is utilized to support task force operations throughout all nine counties. Information can be obtained from the Mansfield Division of Police, Chief Keith Porch, Project Director.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Seneca County financial statements conforms to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The County's most significant accounting policies are described below.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including the 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 for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

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

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are presented 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. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

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

Maintenance and Repair fund - The Maintenance and Repair fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, and investment revenue. Expenditures in this fund are restricted by State law to County road and bridge repair/improvement programs.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

Seneca County Opportunity Center fund (SCOC) - The SCOC fund accounts for a county-wide property tax levy and federal and state grants and entitlements for operating the SCOC, and providing additional support services for handicapped individuals.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following is the County's major enterprise fund:

County Sewer District fund - The County Sewer District fund accounts for money received from user and tap-in fees for sewer services provided to residents in various development areas of the County and grant and loan activities for the sewer and wastewater treatment facility acquisition and construction.

The other enterprise fund of the County accounts for emergency medical services (EMS) operations.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Currently, the County does not have any trust funds. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, State-levied shared revenues, fines and forfeitures collected for and distributed to other political subdivisions, and other amounts collected for and distributed to organizations or individuals.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the County are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements

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

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

Like the government-wide financial statements, proprietary funds and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

The statement of revenues, expenses and changes in net position for proprietary funds presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

Revenues-Exchange and Non-Exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, State-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, interest, and rent.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, sales taxes, delinquent property taxes, intergovernmental grants, and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures

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

E. Budgetary Process

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

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

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2019.

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments". During 2019, investments were limited to STAR Ohio, negotiable certificates of deposit (CDs), U.S. Government money market accounts, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal National Mortgage Association (FNMA) securities, U.S. Bank commercial paper, US Treasury notes and a taxable municipal issue.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

Cash and cash equivalents that are held separately within departments of the County, and not included in the County Treasury, are recorded as “cash and cash equivalents in segregated accounts”. Investments are reported at fair value, except for non-negotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices. Any increase or decrease in fair value is reported as a component of investment earnings.

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 City measures its 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 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The County has also deposited funds in the STAR Plus program. The STAR Plus program allows Ohio’s political subdivisions to deposit monies in a network of FDIC-insured banks via a single account.

Interest earnings are allocated to County funds according to State statutes and grant requirements. Interest revenue credited to the General fund during 2019 was \$955,201, which includes approximately \$807,040 assigned from the other County funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents in the financial statements. Investments with an initial maturity of more than three months, and not purchased from the cash management pool, are reported as investments.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

Inventory is presented at the lower of cost or market on a first-in, first-out basis and is expensed/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources.

I. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients. Reported loans receivable is offset by a nonspendable, restricted, or committed fund balance in the governmental fund types.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

J. Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The County maintains a capitalization threshold of \$5,000 for all assets except infrastructure. The capitalization threshold for infrastructure is \$10,000. The County’s infrastructure consists of roads, bridges, culverts and sewers. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements (land and improvements not being depreciated, such as road base) and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives.

<u>DESCRIPTION</u>	<u>ESTIMATED LIVES</u>
Buildings and Improvements	31
Land Improvements	15
Machinery and Equipment	5-7
Software	5-7
Vehicles.....	5
Infrastructure.....	5-50

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as “interfund loans receivable/payable” and receivables and payables resulting from long-term interfund loans are classified as “loans to/from other funds”. Receivables and payables resulting from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur are classified as “due to/from other funds”.

Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “internal balances”.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as liabilities using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County’s termination policy. The County

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

records a liability for sick leave for employees with seven or more years of service at varying rates depending on County policy.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave is paid. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds; however, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and capital lease obligations are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Net Position

Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The County's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

Net position is reported as restricted when there are limitations imposed on its use, either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the General fund.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

or regulations of other governments, or imposed by law through constitutional provisions or enabling 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 Board of Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Commissioners.

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

The County applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services of the County Sewer District and EMS operations. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Q. Capital Contributions

Capital contributions on the proprietary fund financial statements arise from contributions from governmental activities, from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Transactions

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

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

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

S. 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 management and are either unusual in nature or infrequent in occurrence. No events of this nature occurred during 2019.

T. Estimates

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Fair Value Measurements

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the County has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*", GASB Statement No. 84, "*Fiduciary Activities*", GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the County.

GASB Statement No. 84 establishes 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 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.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Statement No. 88 did not have an effect on the financial statements of the County; however, certain note disclosures in Note 11 have been modified to conform to the new requirements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the County.

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2018:

	<u>General</u>	<u>Maintenance and Repair</u>	<u>Seneca County Opportunity Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance as previously reported	\$ 7,512,726	\$ 15,978,618	\$ 10,523,592	\$ 6,708,912	\$ 40,723,848
GASB Statement No. 84	<u>53,986</u>	<u>-</u>	<u>203,070</u>	<u>502,187</u>	<u>759,243</u>
Restated Fund Balance, at December 31, 2018	<u>\$ 7,566,712</u>	<u>\$ 15,978,618</u>	<u>\$ 10,726,662</u>	<u>\$ 7,211,099</u>	<u>\$ 41,483,091</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at December 31, 2018:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 90,476,709
GASB Statement No. 84	<u>1,092,932</u>
Restated net position at December 31, 2018	<u>\$ 91,569,641</u>

Due to the implementation of GASB Statement No.84, the County will no longer be reporting agency funds and the new classification of custodial funds is reporting a beginning net position of \$17,407,487 At December 31, 2018, agency funds reported assets and liabilities of \$66,541,380.

C. Deficit Fund Balances

Fund balances at December 31, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Sheriff highway safety grant special revenue fund	\$ 5,450
Wolf Creek ditch project capital projects fund	279,679

The General fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

D. Previously Reported Component Unit

The Seneca Board of Developmental Disabilities' agreement with Seneca Re-Ad Industries, Inc. was amended in July of 2018. A re-evaluation of GASB 14 criteria disclosed Seneca Re-Ad Industries, Inc. will no longer be considered a component unit of the County.

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury and must be maintained as cash in the County Treasury, or 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 and can be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes or any other obligations 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 other obligations or securities issued by any federal government agency, or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 2 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited, to passbook accounts;
6. No load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Trasury Asset Reserve of Ohio (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in 1 or 2 above, or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio; and,
10. Bankers acceptances for a period not to exceed one hundred eighty days and in an amount not to exceed 10 percent of the County's total average portfolio.

Protection of the 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

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

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.

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

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

A. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all County deposits was \$22,790,390 and the bank balance of all County deposits was \$23,456,211. Of the bank balance, \$11,623,140 was covered by the FDIC and \$11,833,071 was exposed to custodial credit risk discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the County was in the OPCS; however, certain County financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

B. Cash on Hand

At year end, the County had \$2,000 in undeposited cash on hand which is included on the financial statements as a component of "equity in pooled cash and investments".

C. Investments

As of December 31, 2019, the County had the following investments and maturities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

Measurement/ Investment Type	Measurement Amount	Investment Maturities				
		6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months	Greater than 24 months
<i>Amortized Cost:</i>						
STAR Ohio	\$ 1,046,463	\$ 1,046,463	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
Commercial paper	2,223,442	2,223,442	-	-	-	-
Negotiable CD's	7,405,391	985,592	1,473,271	571,610	700,949	3,673,969
U.S. Government money market	1,521,710	1,521,710	-	-	-	-
FHLB	1,521,082	-	750,075	-	-	771,007
FHLMC	5,844,255	2,081,801	1,319,936	-	499,885	1,942,633
FFCB	7,306,393	-	-	160,000	549,478	6,596,915
FNMA	3,982,230	-	914,323	-	199,498	2,868,409
US Treasury Notes	1,369,193	-	1,204,650	164,543	-	-
Taxable municipal issue	262,426	-	-	-	-	262,426
Total	\$ 32,482,585	\$ 7,859,008	\$ 5,662,255	\$ 896,153	\$ 1,949,810	\$ 16,115,359

The weighted average maturity of investments is 2.30 years.

The County's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in negotiable CD's, commercial paper, federal agency securities (FHLB, FHLMC, FFCB, FNMA), US treasury notes and taxable municipal issues are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits maturities only to matching anticipated cash flow requirements.

Credit Risk: STAR Ohio and the U.S. Government money market account were assigned an AAAM rating from Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Bank commercial paper was given a short-term rating of A1 and P1 by Standard & Poor's and Moody's Investor Services, respectively. The taxable municipal issue was rated AAA and Aa2 by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Government money markets were rated AAAM by Standard & Poor's. The County has no investment policy that addresses credit risk. The negotiable CDs were not rated.

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 investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County's U.S. Bank commercial paper account was exposed to custodial credit risk, while the County's negotiable CDs were covered by the FDIC. The County's investment policy addresses custodial credit risk.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The percentage of each investment type held by the County as of December 31, 2019 is as follows:

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 1,046,463	3.22
<i>Fair Value:</i>		
Commercial paper	2,223,442	6.85
Negotiable CD's	7,405,391	22.80
U.S. Government money market	1,521,710	4.68
FHLB	1,521,082	4.68
FHLMC	5,844,255	17.99
FFCB	7,306,393	22.49
FNMA	3,982,230	12.26
US Treasury Notes	1,369,193	4.22
Taxable municipal issue	<u>262,426</u>	<u>0.81</u>
Total	<u>\$ 32,482,585</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments for the primary government as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 22,790,390
Investments	32,482,585
Cash on hand	<u>2,000</u>
Total	<u>\$ 55,274,975</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 42,228,190
Business-type activities	1,415,833
Custodial funds	<u>11,630,952</u>
Total	<u>\$ 55,274,975</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Short-term interfund loans receivable/payable consisted of the following at December 31, 2019, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	<i>Nonmajor governmental funds:</i>	
	Community corrections	\$ 16,423
	Sheriff highway safety grant	3,000
	Selective traffic enforcement	5,000
	Wolf Creek ditch project	<u>9,590</u>
	Total short-term interfund loans payable/receivable	<u>\$ 34,013</u>

The short-term interfund loans receivable balances in the General fund resulted from advances made to provide working capital for operations and other projects. All advances were authorized by resolution of the

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

County Commissioners. Short-term interfund loans between governmental funds are eliminated for reporting on the statement of net position.

B. Long-term interfund loans payable/receivable consisted of the following at December 31, 2019:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	<i>Nonmajor governmental funds:</i>	
	Community corrections	\$ 5,000
	Sheriff highway safety grant	10,000
	Wolf Creek ditch project	<u>303,167</u>
	Total short-term interfund loans payable/receivable	<u>\$ 318,167</u>

The long-term interfund loan balances result from resources provided by the receivable fund to the payable fund to provide cash flow resources until anticipated revenues are received. Interfund loans payable/receivable between governmental funds are eliminated on the government-wide financial statements.

C. Amounts due to/from other funds consisted of the following at December 31, 2019, as reported on the fund financial statements:

	<u>Due from other funds (receivable)</u>	
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
<u>Due to other funds (payable):</u>		
Maintenance and repair	\$ 2	\$ -
Nonmajor governmental	35,445	89,243
County sewer district enterprise	1	-
EMS nonmajor enterprise	<u>1,230</u>	<u>-</u>
Total	<u>\$ 36,678</u>	<u>\$ 89,243</u>

Amounts due to/from other funds between governmental funds are eliminated for reporting on the statement of net position. Amounts due to/from other funds between governmental funds and enterprise funds are reported as a component of internal balance on the statement of net position.

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

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported on the fund financial statements:

<u>Transfer to:</u>	<u>Transfer from:</u>		
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$ -	\$ 190,668	\$ 190,668
Nonmajor governmental funds	1,955,364	5,000	1,960,364
EMS nonmajor enterprise	<u>330,000</u>	<u>-</u>	<u>330,000</u>
Total	<u>\$ 2,285,364</u>	<u>\$ 195,668</u>	<u>\$ 2,481,032</u>

The transfer from the nonmajor governmental funds to the General fund was a transfer of residual equity upon fund closure.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Transfers among the governmental funds and transfers among the enterprise funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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 real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property 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 became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to 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 account for through custodial funds. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In the governmental funds, property and other taxes receivable has been offset by a deferred inflow of resources for the current portion, since the current taxes were not levied to finance 2019 operations, and for the delinquent portion, since the collection of the taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as a revenue while on a modified accrual basis this amount is recorded as a deferred inflow of resources.

The full tax rate for all County operations for the year ended December 31, 2019 was \$10.60 per \$1,000 of assessed value. \$1.90 per \$1,000 of assessed value is levied for the general operations, while the remaining \$8.70 is levied for the Seneca County Opportunity Center.

The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Real Property	\$ 1,050,741,590	86.16 %
Public Utility Personal Property	<u>168,835,630</u>	<u>13.84 %</u>
Total Assessed Value	<u>\$ 1,219,577,220</u>	<u>100.00 %</u>

NOTE 7 - PERMISSIVE SALES AND USE TAX

In November, 1988, the Citizens of Seneca County passed a one percent sales and use tax on all retail sales except sales of motor vehicles made in the County and on the storage, use or consumption in the County of tangible personal property. On January 1, 2004 the Commissioners imposed a four-year temporary one-half of one percent sales tax effective January 1, 2004 through December 31, 2007. On February 6, 2007 the Commissioners passed a resolution to make the one-half of one percent sales tax permanent. Proceeds of the tax are credited entirely to the General fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax

SENECA COUNTY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Commissioner's certification must be made within the forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

A receivable is recognized at year-end for amounts that will be received from sales, which occurred during 2019. On an accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable not collected within the available period is recorded as a deferred inflow of resources.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2019 consisted of taxes, interest, accounts (billings for user charged services including unbilled utility services, fines and forfeitures), loans (community development block grant monies loaned to local businesses) and intergovernmental receivables arising from grants, entitlements and shared revenues. All intergovernmental revenues are considered collectible in full. Sewer enterprise fund receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Receivables recorded on the County's financial statements are recorded to the extent the amounts are determined material and substantiated, not only by supporting documentation, but also by a reasonable systematic method of determining their existence, completeness, valuations and collectability. Using these criteria, the County has elected to not record child support arrearages in the custodial funds. These amounts, while potentially significant, are not considered measurable and, because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Loans receivable to be collected in the CDBG fund (a nonmajor governmental fund) amount to \$103,702, of which \$93,789 is expected to be collected in more than one year.

A summary of the principal items of intergovernmental receivables follows:

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SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

<i>Fund Type/Fund</i>	<i>Description</i>	<i>Amount</i>
Major Funds		
General Fund	Local Government	\$ 389,571
	Homestead and Rollback	129,808
	Jail Housing	117,283
	Casino revenue	325,263
	Defense of Indigents	36,540
	Miscellaneous	<u>4,188</u>
	<i>Total General Fund</i>	<u>1,002,653</u>
Maintenance and Repair	Motor Vehicle License	802,127
	Gasoline Tax	<u>1,743,294</u>
	<i>Total Maintenance and Repair</i>	<u>2,545,421</u>
Seneca County Opportunity Center	Homestead and rollback	249,788
	Miscellaneous Grants	<u>203,243</u>
	<i>Total Seneca County Opportunity Center</i>	<u>453,031</u>
Nonmajor Governmental Funds		
Victims of crime act	Grant	10,105
Emergency management	Grant	11,025
Fair housing	Grant	15,800
Sheriff highway safety grant	Grant	9,288
Child support enforcement	Grant	49,599
Children services	Reimbursements	<u>6,255</u>
	<i>Total Nonmajor Governmental Funds</i>	<u>102,072</u>
Total		<u><u>\$ 4,103,177</u></u>

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SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019:

Governmental Activities:	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
<i>Non-depreciable Capital Assets</i>				
Land and Improvements	\$ 21,133,107	\$ 414,475	\$ (9,288)	\$ 21,538,294
Construction in Progress	835,256	1,624,029	(936,959)	1,522,326
Total Non-depreciable Capital Assets	21,968,363	2,038,504	(946,247)	23,060,620
<i>Depreciable Capital Assets:</i>				
Land Improvements	591,056	-	-	591,056
Buildings and Improvements	48,907,046	992,692	(78,984)	49,820,754
Machinery and Equipment	13,442,609	1,861,123	(1,146,016)	14,157,716
Infrastructure	49,561,917	2,884,681	(5,224,173)	47,222,425
Total Depreciable Capital Assets	112,502,628	5,738,496	(6,449,173)	111,791,951
Less: Accumulated Depreciation:				
Land Improvements	(177,530)	(39,403)	-	(216,933)
Buildings and Building Improvements	(19,755,785)	(1,488,510)	78,984	(21,165,311)
Machinery and Equipment	(10,657,594)	(935,312)	1,061,936	(10,530,970)
Infrastructure	(18,657,111)	(1,679,405)	3,049,564	(17,286,952)
Total Accumulated Depreciation	(49,248,020)	(4,142,630)	4,190,484	(49,200,166)
Total Depreciable Capital Assets, Net	63,254,608	1,595,866	(2,258,689)	62,591,785
Total Governmental Activities Capital Assets, Net	\$ 85,222,971	\$ 3,634,370	\$ (3,204,936)	\$ 85,652,405

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities:</u>	
General government:	
Legislative and executive	\$ 1,555,906
Judicial	57,178
Public safety	340,144
Public works	2,035,919
Health	68,150
Human services	72,497
Conservation and recreation	12,836
Total Depreciation Expense	\$ 4,142,630

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Business-type Activities:	<u>Balance 12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/19</u>
<i>Non-depreciable Capital Assets</i>				
Land and Improvements	\$ 26,243	\$ -	\$ -	\$ 26,243
	<u>26,243</u>	<u>-</u>	<u>-</u>	<u>26,243</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	218,465	-	-	218,465
Machinery and Equipment	1,499,549	-	(35,944)	1,463,605
Infrastructure	6,708,356	-	-	6,708,356
Total Depreciable Capital Assets	<u>8,426,370</u>	<u>-</u>	<u>(35,944)</u>	<u>8,390,426</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(163,160)	(6,384)	-	(169,544)
Machinery and Equipment	(1,016,898)	(157,661)	35,944	(1,138,615)
Infrastructure	(1,484,299)	(169,210)	-	(1,653,509)
Total Accumulated Depreciation	<u>(2,664,357)</u>	<u>(333,255)</u>	<u>35,944</u>	<u>(2,961,668)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>5,762,013</u>	<u>(333,255)</u>	<u>-</u>	<u>5,428,758</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,788,256</u>	<u>\$ (333,255)</u>	<u>\$ -</u>	<u>\$ 5,455,001</u>

Depreciation expense was charged to business-type activities as follows:

<u>Business-Type Activities:</u>	
County Sewer District enterprise	\$ 177,067
EMS nonmajor enterprise	156,188
Total Depreciation Expense	<u>\$ 333,255</u>

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County entered into lease agreements for copier and scanning equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures in the budgetary statements.

Principal and interest payments during 2019 totaled \$3,019 and \$214, respectively, and were paid by the General fund. As of December 31, 2019, the liability for capital lease obligation included in the long-term liabilities of governmental activities totaled \$2,633.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2019:

<u>Year Ended December 31,</u>	<u>Amount</u>
2020	\$ 2,694
Less: amount representing interest	<u>(61)</u>
Present value of net minimum lease payments	<u>\$ 2,633</u>

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 11 - LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2019 is as follows:

	Outstanding 12/31/18	Additions	Deductions	Outstanding 12/31/19	Amount Due Within One Year
<i>Governmental Activities</i>					
Special Obligation Bonds	\$ 8,395,000	\$ -	\$ (265,000)	\$ 8,130,000	\$ 270,000
General Obligation Bonds	640,000	-	(115,000)	525,000	125,000
Joint Justice Center Loan (Direct Borrowing)	500,000	-	(50,000)	450,000	50,000
Compensated Absences	1,793,154	335,453	(19,322)	2,109,285	22,928
OWDA On-Lot Septic Loan (Direct Borrowing)	23,914	-	(5,314)	18,600	5,314
Net Pension Liability	20,464,787	15,377,071	-	35,841,858	-
Net OPEB Liability	13,192,654	2,963,129	-	16,155,783	-
Capital Lease Payable	5,652	-	(3,019)	2,633	2,633
Governmental Activities	<u>\$ 45,015,161</u>	<u>\$ 18,675,653</u>	<u>\$ (457,655)</u>	63,233,159	<u>\$ 475,875</u>
			Add: Unamortized Premium on Bond Issue:	416,741	
				<u>\$ 63,649,900</u>	
<i>Business-Type Activities</i>					
Sewer District Improvement Revenue Bonds	\$ 2,873,652	\$ -	\$ (56,000)	\$ 2,817,652	\$ 57,000
Compensated Absences	45,492	3,088	-	48,580	-
Net Pension Liability	339,736	263,227	-	602,963	-
Net OPEB Liability	230,626	49,381	-	280,007	-
OPWC Sewer Project Loan (Direct Borrowing)	4,791	-	(1,026)	3,765	343
Business-type Activities	<u>\$ 3,494,297</u>	<u>\$ 315,696</u>	<u>\$ (57,026)</u>	<u>\$ 3,752,967</u>	<u>\$ 57,343</u>

Special Obligation Bonds

On July 7, 2016, the County issued \$8,905,000 in series 2016 special obligation sales tax supported bonds to provide funds to pay part of the County's portion of the costs of the Joint Justice Center Project.

The series 2016 special obligation sales tax supported bonds are comprised of \$8,130,000 in serial bonds outstanding at December 31, 2019. The interest rate on the current interest bonds range from 2 percent to 4 percent. The bonds were issued for a twenty-six year period, with a final stated maturity date of December 1, 2041. The bonds will be retired through the County Sales Tax Bond Retirement fund (a nonmajor governmental fund).

General Obligation Bonds

On June 9, 2009, the County issued \$5,285,000 in general obligation refunding bonds to refund other general obligation bonds. General obligation bonds pledge the full faith and credit of the government. The general obligation bonds mature on December 1, 2023, and bear an annual interest rate of 2.00-5.00 percent. At December 31, 2019, the County had \$525,000 in general obligation bonds outstanding. The general obligation refunding

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

bonds are paid from the bond retirement fund (a nonmajor governmental fund) by money received from the leases to the various departments and other offices that also occupy the building and the balance from the General fund.

The County issued general obligation refunding bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,070,000 of general obligation bonds. The investments and fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of December 31, 2019, the amount of defeased debt amounted to \$525,000.

Joint Justice Center Loan

On January 26, 2015 the County entered into an interest free loan agreement with North Central Ohio Educational Service Center for up to \$500,000. As of December 31, 2019, County has received the final loan proceeds totaling \$500,000. Payments will be paid in quarterly payments of \$12,500, until paid in full, immediately following a 12-month grace period after the date of the final disbursement. The loan will be paid from the General fund.

The loan is a direct borrowing that has terms negotiated directly between the County and the North Central Ohio Educational Service Center and is not offered for public sale. The loan has no significant finance-related terms related to events of default, termination events or acceleration clauses.

Sewer District Improvement Revenue Bonds

On June 21, 2012, the County authorized the issuance of \$3,212,000 in sewer district improvement revenue bonds at an interest rate of 2.75 percent for the acquisition and construction of sewer systems throughout the County. This issuance is composed of \$1,712,000 in series 2012A revenue bonds, \$400,000 in series 2012B revenue bonds, and \$1,100,000 in series 2012C revenue bonds. The bonds are liabilities of the County Sewer District enterprise fund, are payable with charges for sewer service, and are backed by the full faith and credit of the County should these revenues be insufficient to satisfy future debt service requirements. Principal and interest payments on the bonds during 2019 required 106.87 percent of net revenues and 27.90 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$4,251,666. Principal and interest paid for the current year was \$135,025, total net revenues were \$125,345 and total revenues were \$483,949.

Proceeds from the series 2012A and 2012B sewer district improvement revenue bonds were used for the construction of sewer lines and a wastewater treatment facility in the unincorporated community of Bascom in Hopewell Township. Principal payments on the series 2012A and 2012B bonds are payable annually on October 1, beginning in 2014 and continuing through 2051. Proceeds from the series 2012C sewer district improvement revenue bonds were used to acquire the Village of New Riegel's sewer operations through the retirement of the Village of New Riegel's outstanding sewer system mortgage revenue bonds. Principal payments on the series 2012C bonds began on October 1, 2012, and continue annually through 2051.

OWDA Loan

The County has an interest-free Ohio Water Development Authority (OWDA) loan which is paid directly from the EPA On-Lot Septic Grant capital projects fund with money received from repayment of loans to individuals. The OWDA loan is an interest free loan. Disbursement of the proceeds was not capitalized as an asset, therefore the balance of the OWDA loan is not included in the calculation of the County's net investment in capital assets.

OWDA loan is a direct borrowing that has terms negotiated directly between the County and the OWDA and is not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

OPWC Loan

The County has a loan from the Ohio Public Works Commission (OPWC) for the Honey Creek Sewer Separation Project which is reported as a liability of the County Sewer District enterprise fund and is paid directly from the user fees charged to residents of the sewer district. The OPWC loan is an interest free loan.

The OPWC loan is a direct borrowing that has terms negotiated directly between the County and the OPWC and is not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the County is located to pay the amount of the default from funds that would otherwise be appropriated to the County from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

Capital Lease Obligation - Capital lease payments are made from the General fund. See Note 10 for detail on capital lease obligations.

Net Pension Liability and Net OPEB Liability - See Notes 14 and 15 for details.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid. Among the County's governmental activities, these funds include General fund, Maintenance and Repair, Seneca County Opportunity Center and the following nonmajor governmental funds: Real Estate Assessment, Ditch Maintenance, Public Assistance, CSEA, DRETAC, Dog and Kennel, Community Corrections Grant, Emergency Management Agency, Delinquent Care and Custody Grant, Allen Eiry Guardianship, Victims of Crime Act Grant, Probate Court Programs, and Juvenile Court Programs. Compensated absences of the business-type activities will be made from the County Sewer District and EMS enterprise funds.

Legal 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 assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, 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 assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$28,494,999 at December 31, 2019 and the unvoted legal debt margin was \$11,701,340 at December 31, 2019.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

The following is a summary of the County's future annual debt service principal and interest requirements for long-term obligations of the governmental activities:

Year Ended	General Obligation Bonds			OWDA On-Lot Septic Loan		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 125,000	\$ 21,788	\$ 146,788	\$ 5,314	\$ -	\$ 5,314
2021	130,000	16,600	146,600	5,314	-	5,314
2022	135,000	11,205	146,205	5,315	-	5,315
2023	135,000	5,603	140,603	2,657	-	2,657
Total	<u>\$ 525,000</u>	<u>\$ 55,196</u>	<u>\$ 580,196</u>	<u>\$ 18,600</u>	<u>\$ -</u>	<u>\$ 18,600</u>

Year Ended	Sales Tax Supported Bonds			Joint Justice Center Loan		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 270,000	\$ 263,250	\$ 533,250	\$ 50,000	\$ -	\$ 50,000
2021	275,000	257,850	532,850	50,000	-	50,000
2022	280,000	252,350	532,350	50,000	-	50,000
2023	285,000	245,350	530,350	50,000	-	50,000
2024	295,000	238,225	533,225	50,000	-	50,000
2025 - 2029	1,600,000	1,061,250	2,661,250	200,000	-	200,000
2030 - 2034	1,865,000	793,150	2,658,150	-	-	-
2035 - 2039	2,245,000	404,400	2,649,400	-	-	-
2040 - 2042	1,015,000	45,900	1,060,900	-	-	-
Total	<u>\$ 8,130,000</u>	<u>\$ 3,561,725</u>	<u>\$ 11,691,725</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>

The following is a summary of the County's future annual debt service requirements for long-term obligations of the business-type activities:

Year Ended	OPWC Sewer Project Loan			Sewer District Improvement Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 343	\$ -	\$ 343	\$ 57,000	\$ 77,486	\$ 134,486
2021	684	-	684	59,000	75,917	134,917
2022	685	-	685	62,000	74,295	136,295
2023	684	-	684	62,000	72,591	134,591
2024	685	-	685	64,000	70,884	134,884
2025 - 2029	684	-	684	345,000	327,201	672,201
2030 - 2034	-	-	-	397,000	277,041	674,041
2035 - 2039	-	-	-	454,000	219,293	673,293
2040 - 2044	-	-	-	519,000	153,428	672,428
2045 - 2049	-	-	-	597,000	77,913	674,913
2050 - 2052	-	-	-	201,652	7,965	209,617
Total	<u>\$ 3,765</u>	<u>\$ -</u>	<u>\$ 3,765</u>	<u>\$ 2,817,652</u>	<u>\$ 1,434,014</u>	<u>\$ 4,251,666</u>

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The County is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County maintains liability insurance in the amount of \$1,000,000 general aggregate. In addition, the County maintains replacement cost insurance on all buildings and their contents, with a \$2,500 deductible on contents. Blanket building and personal property insurance are in the amount of \$151,970,284, which includes builders risk coverage.

The County has additional insurance coverage in the following amounts for various items:

General Liability	\$1,000,000	Foster Parents	\$5,000,000
Crime Coverage.....	\$1,000,000	Valuable Papers.....	\$2,500,000
Errors and Omissions Liability.....	\$1,000,000	Prosecuting Attorney Defense.....	\$25,000
Employee Dishonesty.....	\$1,000,000	Fleet Insurance:	
Law Enforcement Liability	\$1,000,000	Deductible	\$2,500
Equipment Breakdown Coverage.....	\$100,000,000	Liability	\$1,000,000
Stop Gap Liability	\$1,000,000	Uninsured/Underinsured Motorist..	\$250,000
Excess Liability	\$4,000,000	Sewer Lines	\$3,802,115
Flood	\$100,000,000	Earthquake.....	\$100,000,000

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

B. Worker's Compensation

The County participates in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program (the Program), an insurance purchasing pool. The Program is intended to achieve lower workers' compensation rates while establishing safe 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 of the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. In order to allocate the savings derived by formation of the Program, and to maximize the number of participants in the Program, the Program's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Program is limited to counties that can meet the Plan's selection criteria. The firm of CompManagement, Inc., provides administrative, cost control, and actuarial services to the Program to cover the costs of administering the Program.

The County may withdraw from the Program 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 program prior to withdrawal, and any participant leaving the Program allows representatives of the Program to access loss experience for three years following the last year of participation.

C. Natural Gas

The County Commissioners Association of Ohio Service Corporation (CCAOSC) partnered with the Palmer Energy Company to help manage a natural gas program for member counties. The program was designed specifically to help counties save money on their natural gas bill by utilizing the strength of group buying. By grouping together, counties leverage their buying power when shopping the market, thus securing the best price possible. The independent energy professionals of the Palmer Energy Company, on behalf of the CCAOSC, obtain the best price for natural gas from various reputable suppliers through the RFP process. Advisory committee meetings are held for oversight purposes regarding the natural gas program. Presently

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

there are over 54 counties participating. Those counties are collectively saving millions of dollars in the program.

NOTE 13 - EMPLOYEE BENEFITS

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time, not to exceed vacation earned in three years, is paid upon separation if the employee has at least one year of service with the County. Sick leave time may be accrued without limit. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

The net pension liability/asset represents the County's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset 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.

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the Member-Directed Plan and the Combined Plan,

SENECA COUNTY

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substantially all employee members are in OPERS' Traditional Pension Plan.

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

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

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
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1%	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1%	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1%

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00 percent.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00 percent to the member's FAS for the first 30 years of service.

A factor of 1.25 percent is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00 percent to the member's FAS and the first 35 years of service and a factor of 1.25 percent is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00 percent COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. 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. 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. For additional information, see the Plan Statement in the OPERS CAFR.

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

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	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

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

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

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00 percent.

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,644,544 for 2019. Of this amount, \$86,005 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 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

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

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 is applied 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 2019, plan members were required to contribute 14 percent of their annual covered salary. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2019 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was \$83,993 for 2019.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

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	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.131682%	0.117856%	0.078923%	0.004687%	
Proportion of the net pension liability/asset current measurement date	<u>0.135176%</u>	<u>0.100040%</u>	<u>0.078083%</u>	<u>0.004758%</u>	
Change in proportionate share	<u>0.003494%</u>	<u>-0.017816%</u>	<u>-0.000840%</u>	<u>0.000071%</u>	
Proportionate share of the net pension liability	\$ 35,392,536	\$ -	\$ -	\$ 1,052,285	\$ 36,444,821
Proportionate share of the net pension asset	-	(106,943)	(1,701)	-	(108,644)
Pension expense	8,258,528	29,677	(441)	121,980	8,409,744

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 1,633	\$ -	\$ 7,082	\$ 8,570	\$ 17,285
Net difference between projected and actual earnings on pension plan investments	4,803,763	23,038	564	-	4,827,365
Changes of assumptions	3,081,006	23,885	526	123,610	3,229,027
Changes in employer's proportionate percentage/ difference between employer contributions	510,097	-	-	59,588	569,685
Contributions subsequent to the measurement date	<u>2,535,908</u>	<u>62,334</u>	<u>46,302</u>	<u>41,990</u>	<u>2,686,534</u>
Total deferred outflows of resources	<u>\$ 10,932,407</u>	<u>\$ 109,257</u>	<u>\$ 54,474</u>	<u>\$ 233,758</u>	<u>\$ 11,329,896</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 464,724	\$ 43,677	\$ -	\$ 4,554	\$ 512,955
Net difference between projected and actual earnings on pension plan investments	-	-	-	51,430	51,430
Changes in employer's proportionate percentage/ difference between employer contributions	5,362	-	-	49,520	54,882
Total deferred inflows of resources	<u>\$ 470,086</u>	<u>\$ 43,677</u>	<u>\$ -</u>	<u>\$ 105,504</u>	<u>\$ 619,267</u>

\$2,686,534 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Year Ending December 31:					
2020	\$ 3,536,183	\$ 3,611	\$ 1,176	\$ 65,678	\$ 3,606,648
2021	1,710,481	(991)	1,078	28,174	1,738,742
2022	445,647	(504)	1,094	(16,340)	429,897
2023	2,234,102	6,707	1,318	8,748	2,250,875
2024	-	(2,759)	978	4	(1,777)
Thereafter	-	(2,818)	2,528	-	(290)
Total	<u>\$ 7,926,413</u>	<u>\$ 3,246</u>	<u>\$ 8,172</u>	<u>\$ 86,264</u>	<u>\$ 8,024,095</u>

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 prior periods included in the measurement in accordance with the requirements of GASB 67.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to 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 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 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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:

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(Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20 percent, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50 percent. 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 7.20 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 (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 52,285,069	\$ 35,392,536	\$ 21,354,690
Combined Plan	(35,386)	(106,943)	(158,757)
Member-Directed Plan	(746)	(1,701)	(2,986)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	<u>July 1, 2019</u>
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90% 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, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's 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 Real 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 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.

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. 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, 2019.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the 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 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:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	\$ 1,537,797	\$ 1,052,285	\$ 641,274

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

The net OPEB liability/asset represents the County's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/asset 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

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.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not 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 14.00 percent of earnable salary and public safety and law enforcement employers contributed at 18.10 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, the portion of employer contributions allocated to health care was 0.00 percent for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$18,521 for 2019. Of this amount, \$602 is reported as due to other governments.

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% of covered payroll. For 2019, STRS did not allocate any employer contributions to post-employment health care.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.129140%	0.004687%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.131868%</u>	<u>0.004758%</u>	
Change in proportionate share	<u>0.002728%</u>	<u>0.000071%</u>	
Proportionate share of the net OPEB liability	\$ 16,435,790	\$ -	\$ 16,435,790
Net OPEB asset	\$ -	\$ 78,810	\$ 78,810
OPEB expense	\$ 1,730,167	\$ (26,340)	\$ 1,703,827

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 5,566	\$ 7,145	\$ 12,711
Net difference between projected and actual earnings on OPEB plan investments	753,484	-	753,484
Changes of assumptions	529,911	1,657	531,568
Changes in employer's proportionate percentage/difference between employer contributions	309,983	411	310,394
Contributions subsequent to the measurement date	<u>18,521</u>	<u>-</u>	<u>18,521</u>
Total deferred outflows of resources	<u>\$ 1,617,465</u>	<u>\$ 9,213</u>	<u>\$ 1,626,678</u>

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

	OPERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 44,595	\$ 4,010	\$ 48,605
Net difference between projected and actual earnings on OPEB plan investments	-	4,949	4,949
Changes of assumptions	-	86,405	86,405
Changes in employer's proportionate percentage/difference between employer contributions	732	9,302	10,034
Total deferred inflows of resources	\$ 45,327	\$ 104,666	\$ 149,993

\$18,521 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2020	\$ 800,277	\$ (20,706)	\$ 779,571
2021	247,089	(20,705)	226,384
2022	126,668	(18,722)	107,946
2023	379,580	(18,023)	361,557
2024	3	(17,589)	(17,586)
Thereafter	-	292	292
Total	\$ 1,553,617	\$ (95,453)	\$ 1,458,164

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 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:

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

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

During 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 is 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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	<u>100.00 %</u>	

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 21,027,503	\$ 16,435,790	\$ 12,784,167

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 1.00 percent lower or 1.00 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.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$ 15,798,361	\$ 16,435,790	\$ 17,169,939

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	6.00%	4.00%	6.00%	4.00%
Medicare	5.00%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	9.62%	4.00%	8.00%	4.00%
Medicare	4.00%	4.00%	-5.23%	4.00%

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, 2019, 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:

SENECA COUNTY

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(Continued)

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long-Term Expected Real Rate of Return *</u>
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	<u>100.00 %</u>	

*10-Year 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.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45 percent as of June 30, 2019. 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 asset as of June 30, 2019.

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, 2019, 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	County's proportionate share of the net OPEB asset	\$ 67,249	\$ 78,810

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	County's proportionate share of the net OPEB asset	\$ 89,367	\$ 78,810

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General fund, Maintenance and Repair fund, and Seneca County Opportunity Center fund

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(Continued)

are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	<u>General Fund</u>	<u>Maintenance and Repair Fund</u>	<u>Seneca County Opportunity Center</u>
Budget basis	\$ (1,226,846)	\$ 801,962	\$ 926,868
Net adjustment for revenue accruals	423,205	234,780	246,783
Net adjustment for expenditure accruals	(282,616)	(67,330)	(45,391)
Net adjustment for other sources/uses	(45,450)	-	-
Funds budgeted elsewhere	104,441	-	-
Adjustment for encumbrances	<u>1,054,674</u>	<u>388,034</u>	<u>1,076,071</u>
GAAP basis	<u>\$ 27,408</u>	<u>\$ 1,357,446</u>	<u>\$ 2,204,331</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. These include the Metal Expense Rotary fund, Sheriff Rotary fund, Unclaimed Monies fund, Hazardous Materials fund, Clerk of Courts Title Administration fund, Public Safety Rental fund, Recorder Equipment fund, Employee Benefits fund, Underground Storage Tank fund, and Payroll Withholding funds.

NOTE 17 - CONTINGENT LIABILITIES

The County has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies on 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 not be material.

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(Continued)

The County is named among defendants in pending litigation. Plaintiffs are seeking damages in excess of one million dollars from all defendants; however, as of December 31, 2019, the likelihood of a successful claim against the County is not known.

NOTE 18 - CONDUIT DEBT OBLIGATIONS

The County has previously issued Hospital and Healthcare Facilities Revenue Refunding Bonds to provide financial assistance to the Flat Rock Homes, Good Shepherd Home, St. Francis Home, Inc., Project and Catholic Healthcare Partners. During 2013 the County issued Health Care Facilities Revenue Bonds to provide assistance to Volunteers of America Rehabilitation Centers, Inc. and Economic Development and Lease Revenue Bonds to provide assistance to Heidelberg University. On June 18, 2019, The County issued \$36,500,000 in Economic Development Revenue Bonds, Series 2019 to provide assistance to Heidelberg University, which refunded the outstanding principal of the Series 2013 Lease Revenue Bonds. The bonds are secured by the properties financed and are payable solely from the payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entities served by the issuances. Neither Seneca County, the State of Ohio, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds or lease; therefore, these obligations are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, an estimated \$560,590,000 in revenue bond obligations were outstanding.

NOTE 19 - PUBLIC ENTITY RISK POOLS

A. County Risk Sharing Authority (CORSA)

The County is a member of CORSA, which is a public entity risk sharing pool of thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

B. County Employee Benefits Consortium of Ohio (CEBCO)

The County is a member of CEBCO, which is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage to thirty-six counties in Ohio. CEBCO is a nonprofit organization formed by the County Commissioners Association of Ohio (CCAO) to provide cost-effective employee benefit programs for Ohio county governments. Various plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit copays, and out-of-pocket maximums. CEBCO is governed by a board of directors composed mainly of representatives of counties that participate in the program. Members sign a three-year commitment to CEBCO. Premiums are paid on a monthly basis. Pursuant to participation agreements with CEBCO, each member agrees to pay all funding rates associated with the coverage it elects; as such, funding rates are set and billed to the members by CEBCO. The assigned funding rates consist of the following components: administrative fees, stop-loss fees, expected claim costs, and reserves. Reserves are actuarially determined and allocated based on expected claim activity. Rates are calculated to cover the administrative expenses and expected claims costs of the

SENECA COUNTY

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(Continued)

program. Financial statements may be obtained by contacting the Managing Director of Health ad Wellness, 209 East State Street, Columbus, Ohio 43215.

C. County Commissioners Association of Ohio Service Corporation (CCAOSC)

The County is participating in the County Commissioners Association of Ohio Service Corporation (CCAOSC), a pool established under the rules of Ohio Revised Code Section 4123.29, which permits the establishment of employer group rating plans. The CCAOSC was established through the County Commissioners Association of Ohio (CCAO) in order to group the experience of employers for workers' compensation rating purposes.

CCAOSC retains the services of a third party administrator (TPA) in the administration of workers' compensation claims. A Group Executive Committee consists of seven members. Two of the members are president and treasurer, the remaining five members, who must be county commissioners, are elected by the participants. The Group Executive Committee calculates annual rate contributions and rebates, approves the selection of a TPA, approves proposed TPA fees and determines eligibility of participants. The County may withdraw from the group with sixty days written notice and is responsible for payment of its workers' compensation with no further responsibilities or equity. Further financial information for the County Commissioner Association of Ohio Service Corporation can be seen in the CCAO Treasurer's Report as of December 31, 2019.

NOTE 20 - JOINT VENTURES

A. Sandusky County-Seneca County-City of Tiffin Port Authority

Seneca County joined Sandusky County and the City of Tiffin in a joint venture, as described in Note 1, to purchase a railroad line from Tiffin to Woodville. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City and resolutions by the Counties. Any real or personal property will be returned to the subdivision from which it was received. Upon dissolution of the Port Authority, any personal property belonging to the Port Authority will be distributed equally to the City and the Counties after paying all expenses and debts. Non-interest revenue bonds were issued by the Port Authority during 1989 to purchase 25.1 miles of railroad in May 1990. Debt service requirements are secured by future revenue from shippers who will utilize the railroad. Principal is payable on the bonds through 2028. Summary financial information for the Port Authority for the year ended December 31, 2019 is presented below. Further financial information is in the Sandusky County-Seneca County-City of Tiffin Port Authority financial report for the year ending December 31, 2019.

	Joint Venture	County Share
Total Assets	\$ 4,945,101	\$ 1,648,367
Total Liabilities	(483,672)	(161,224)
Net Position	\$ 4,461,429	\$ 1,487,143
Revenues	\$ 292,546	\$ 97,515
Expenses	(211,827)	(70,609)
Increase in Net Position	\$ 80,719	\$ 26,906

B. Ottawa, Sandusky, Seneca Solid Waste District

Seneca County has also entered into a joint venture with Ottawa and Sandusky Counties to form the Ottawa, Sandusky, Seneca County Solid Waste District. The Counties contributed no initial funding and the District is funded entirely by fees. In the event that fees are not sufficient for the operations, the counties shall share

SENECA COUNTY

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(Continued)

all operating costs and expenses incurred in the same proportions as the populations of the respective counties bears to the total population of all counties. Seneca County's share of the total is approximately 35.78 percent. Summary financial information as of, and for the fiscal year ended December 31, 2019 is presented below:

	<u>Joint Venture</u>	<u>County Share</u>		<u>Population</u>	<u>Equity Percent</u>
Beginning Net Position	\$ 2,351,010	\$ 841,157	Ottawa	40,525	26.28%
Revenues	2,494,930	892,649	Sandusky	58,518	37.94%
Expenses	<u>(1,794,194)</u>	<u>(641,936)</u>	Seneca	<u>55,178</u>	<u>35.78%</u>
Ending Net Position	<u>\$ 3,051,746</u>	<u>\$ 1,091,870</u>	Total	<u>154,221</u>	<u>100.00%</u>

Summary financial information on the Ottawa, Sandusky, Seneca County Solid Waste District is unaudited cash basis financial data. Further information was not available at this time. Additional financial information can be obtained from the Sandusky County, Ohio Auditor.

C. Mental Health and Recovery Services Board (MHRS)

The Mental Health and Recovery Services Board (MHRS) is a governmental joint venture between Seneca, Sandusky and Wyandot counties. The MHRS Board provides mental health education, consultation, training and referral services to the public. Seneca County serves as the fiscal agent of the MHRS Board. The counties share in the equity of the MHRS Board based on the percentages of population within the three counties. Seneca County's share of the total is approximately 40.73 percent.

Summary financial information as of, and for the year ended December 31, 2019 is presented below. Further financial information can be found in the Annual Financial Report of the Mental Health and Recovery Services Board of Seneca, Sandusky and Wyandot Counties as of December 31, 2019.

	<u>Joint Venture</u>	<u>County Share</u>		<u>Population</u>	<u>Equity Percent</u>
Beginning Net Position	\$ 5,576,713	\$ 2,271,473	Sandusky	58,518	43.20%
Revenues	6,105,733	2,486,949	Seneca	55,178	40.73%
Expenses	<u>(5,852,750)</u>	<u>(2,383,906)</u>	Wyandot	<u>21,772</u>	<u>16.07%</u>
Ending Net Position	<u>\$ 5,829,696</u>	<u>\$ 2,374,516</u>	Total	<u>135,468</u>	<u>100.00%</u>

D. Northland Homes and Properties, Inc.

Northland Homes and Properties, Inc. is a not-for-profit corporation organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code of 1986. The corporation is a joint effort of the DD Boards of Seneca, Crawford and Marion counties to provide a lifetime of affordable housing and residential services to citizens with developmental disabilities. The corporation is governed by a board of at least ten Trustees with each participating county board of developmental disabilities appointing two. The Trustees shall serve a maximum of three consecutive three-year terms. The housing purchases are financed by State grants that are distributed to each Board of DD and then to the Corporation. The Boards of DD also fund the operational costs of the Corporation.

Upon dissolution of the corporation, the Board of Trustees shall distribute all remaining assets of the corporation to the participating county boards of developmental disabilities.

Summary financial information as of, and for the fiscal year ended December 31, 2019 is presented below. Further financial information can be found in the Northland Homes and Properties, Inc. financial report as of December 31, 2019.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

	Joint Venture	County Share
Total Assets	\$ 2,567,634	\$ 855,878
Total Liabilities	(640,743)	(213,581)
Net Position	\$ 1,926,891	\$ 642,297
Revenues	\$ 489,179	\$ 163,060
Expenses	(426,246)	(142,082)
Increase in Net Position	\$ 62,933	\$ 20,978

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

A. Description of the Entity

The Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the "County"). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return 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 five 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 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 officer of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. 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. The Corporation is a component unit of Seneca County, Ohio.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation's significant accounting policies are described below.

B. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities or fiduciary funds.

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

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation 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 Corporation at this more detailed level. The Corporation's General fund is its only governmental fund.

C. Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement presentation purposes, the Corporation's fund is classified as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following is the Corporation's only governmental fund:

General fund - The General fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The General fund receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund. The General fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows, all liabilities and all deferred inflows associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The General fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General fund. For 2019, there were no differences between the government-wide statements and the governmental fund statements.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. The General fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

Expenses/Expenditures

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

F. Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Corporation did not adopt an annual budget prior to the beginning of the year or approve appropriations and subsequent amendments during the year.

G. Federal Income Tax

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

H. Cash and Investments

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

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

I. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements. The Corporation had no prepayments outstanding at December 31, 2019.

J. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. Purchased properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. Donated or forfeited properties are reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

L. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2019.

M. Intergovernmental Revenue

The Corporation receives operating income the County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

N. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, assets held for resale and prepaid amounts.

Restricted - The restricted classification is used 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 imposed by law through constitutional provisions or enabling legislation.

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

Assigned - Assigned fund balance includes amounts that are constrained by the Corporation's intent to be used for specific purposes, but are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors has by resolution authorized the Treasurer to assign fund balance.

Unassigned - Unassigned fund balance is the residual classification for the General fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

The Corporation applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Estimates

The preparation of the basic financial statements in conformity with GAAP requirements management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

P. 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 Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2019.

Q. Deposits and Investments

At December 31, 2019, the carrying amount of all Corporation deposits was \$192,049. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2019, the entire amount of the Corporation's bank balance of \$192,049 was covered by the Federal Deposit Insurance Corporation (FDIC).

R. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For 2019, the Corporation was covered under Seneca County's policy with the County Risk Sharing Authority (CORSA) for liability insurance.

There has been no reduction in coverage from the prior year and settled claims have not exceeded coverage the past two years and there was no significant change in insurance coverage from the prior year.

S. Transactions with Seneca County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Seneca County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund and will be available for appropriation by the Corporation to fund operations.

At December 31, 2019, the Corporation recognized revenues of \$93,793 for these fees that were collected by Seneca County in 2019.

During 2019, the Corporation repaid a \$300,000 advance to Seneca County that was outstanding at December 31, 2018.

T. Contingencies

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT

A. Description of the Entity

The Transportation Improvement District, Seneca County (the District), is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Seneca County Commissioners on October 25, 2017.

The District is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Seneca County Commissioners, one nonvoting member is appointed by the Speaker of the Ohio House of Representatives of the general assembly, and one nonvoting member is appointed by the President of the Senate of the general assembly.

The District is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the District's primary government and basic financial statements include components units which are defined as legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of organization. The District does not have any component units and does not include any organizations in its presentation. The District's management believes these basic financial statements present all activities for which the District is financially accountable. The District is a component unit of Seneca County, Ohio.

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

B. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the District that are governmental and those that are business-type. The District, however, does not have any business-type activities or fiduciary funds.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

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

Fund Financial Statements During the year, the District segregates transactions related to certain District 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 District 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 would be aggregated and presented in a single column; however, the District did not have any nonmajor funds in 2019 since the only fund was the General fund.

C. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations or limitations. For financial statement presentation purposes, the District's funds are classified as governmental. There is one category of funds: Governmental.

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

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

D. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. At December 31, 2019, there were no differences between the government-wide statements and the statements for governmental funds.

E. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at fiscal year-end.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. At December 31, 2019 the District did not have deferred outflows/inflows of resources.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (Continued)

F. Budgetary Process

The District is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The District did not adopt an annual budget prior to the beginning of the year or approve appropriations and subsequent amendments during the year.

G. Cash and Cash Equivalents

The Seneca County Treasurer maintains a cash and investment pool used for all County and the District's funds. The District has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

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

H. Capital Assets

The District reports no capital assets.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. At December 31, 2019, the District had no payables or accrued liabilities.

J. Receivables

At December 31, 2019, the District had no receivables outstanding.

K. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, assets held for resale and prepaid items.

Restricted - The restricted fund balance is used when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling 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 Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

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

Assigned - The assigned fund balance classification is intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Trustees.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

L. Net Position

The District applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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. The District had no restricted net position at December 31, 2019.

M. Estimates

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

N. 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 District Administration and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during 2019.

O. Risk Management

The District is covered under Seneca County's County Risk Sharing Authority (CORSA) insurance policy.

P. Contingencies

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

NOTE 23 - RELATED PARTY TRANSACTIONS

For the year ended December 31, 2019 the County participated in the following related party transactions:

<u>Related Party</u>	<u>Purpose</u>	<u>Amount</u>
Soil and Water Conservation District	Flood Plain Administration	\$ 10,000
Seneca County Regional Planning Commission	Assessment	<u>82,902</u>
Total		<u>\$ 92,902</u>

NOTE 24 - JOINT USE, MANAGEMENT AND LEASE AGREEMENT

On September 22, 2015, the County entered into an agreement with the City of Tiffin in which both parties agreed to provide financing, construction and improvements for the Joint Justice Center. The County is responsible for 75 percent of the annual operating costs and the City of Tiffin is responsible for the remaining 25 percent. Each party is also must contribute monies for capital costs of improvements to the Joint Justice Center, the Justice Center Site and replacing or improving furniture, furnishings and equipment. The County is responsible for contributing \$30,000 and the City is responsible for contributing \$10,000. Those contributions increase by three percent each fiscal year.

On May 17, 2018, the County entered into an agreement with the City of Tiffin and the City of Fostoria for the reimbursement of services associated with the current contract with the County and Inspiron Logistics, Wireless Emergency Notification System for a period of three years, beginning June 1, 2018 thru May 30, 2021.

NOTE 25 - OPERATING LEASE

On May 1, 2019, the County (the Lessor) entered into an agreement to lease the County Home farm and main barn, consisting of approximately 147.1 acres, to Wise Farms (the Lessee) at a cash rent of \$225 per acre. The term of the lease is for one year, ending April 30, 2020. Rent per year is to be paid by the lessor on or before December 1 of each year of the lease. The land is to be occupied and used for ariculatural purposes related to planting, growing and harvesting of crops. Violation of any part of the lease by either party is cause for the other party to terminate the lease by giving 60 days written notice.

NOTE 26 - FUND BALANCE

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 resources in the governmental funds.

Constraints placed on fund balances for the governmental funds are presented below:

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SENECA COUNTY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Fund balance	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies					
inventory	\$ 78,502	\$ 518,065	\$ 15,096	\$ 6,668	\$ 618,331
Prepayments	210,750	14,193	50,452	68,938	344,333
Unclaimed monies	170,829	-	-	-	170,829
Long-term loans	<u>318,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,167</u>
Total nonspendable	<u>778,248</u>	<u>532,258</u>	<u>65,548</u>	<u>75,606</u>	<u>1,451,660</u>
Restricted:					
Capital projects	-	-	-	24,679	24,679
Grants and specific programs	-	-	-	4,687,951	4,687,951
SCOC programs	-	-	12,865,445	-	12,865,445
Human services programs	-	-	-	1,499,475	1,499,475
Roads and bridges	-	16,803,806	-	-	16,803,806
Community and economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,040</u>	<u>300,040</u>
Total restricted	<u>-</u>	<u>16,803,806</u>	<u>12,865,445</u>	<u>6,512,145</u>	<u>36,181,396</u>
Committed:					
Underground storage tank	<u>11,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,855</u>
Assigned:					
Debt service	-	-	-	82,234	82,234
Capital projects	-	-	-	489,401	489,401
General government	1,972,023	-	-	-	1,972,023
Public safety	111,652	-	-	-	111,652
Conservation and recreation	2,354	-	-	-	2,354
Health	1,001	-	-	-	1,001
Human services	115,140	-	-	-	115,140
Employee benefits	220,301	-	-	-	220,301
Public works	<u>2,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,013</u>
Total assigned	<u>2,424,484</u>	<u>-</u>	<u>-</u>	<u>571,635</u>	<u>2,996,119</u>
Unassigned (deficit)	<u>4,379,533</u>	<u>-</u>	<u>-</u>	<u>(285,288)</u>	<u>4,094,245</u>
Total fund balances	<u>\$ 7,594,120</u>	<u>\$ 17,336,064</u>	<u>\$ 12,930,993</u>	<u>\$ 6,874,098</u>	<u>\$ 44,735,275</u>

NOTE 27 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Fund	Encumbrances
General fund	\$ 986,808
Maintenance and Repair fund	195,950
Seneca County Opportunity Center	946,006
Nonmajor governmental funds	463,244
Total	<u>\$ 2,592,008</u>

NOTE 28 - TAX ABATEMENTS

As of December 31, 2019, the County provides tax abatements through two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The County has entered into Economic Zone (EZ) tax abatement agreements for the abatement of real property taxes with the City of Tiffin and the City of Fostoria. The total value of the County's share of taxes abated from EZ and CRA programs in 2019 was \$189 and \$13,113, respectively.

NOTE 29 - SUBSEQUENT EVENT

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 periods of the County. The County's investment portfolio and the investments of the pension and other employee benefit plan in which the County participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.135176%	0.131682%	0.129274%	0.129323%
County's proportionate share of the net pension liability	\$ 35,392,536	\$ 19,773,939	\$ 27,927,276	\$ 21,469,046
County's covered payroll	\$ 17,503,793	\$ 16,818,677	\$ 16,321,667	\$ 14,434,208
County's proportionate share of the net pension liability as a percentage of its covered payroll	202.20%	117.57%	171.11%	148.74%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.100040%	0.117856%	0.111159%	0.110370%
County's proportionate share of the net pension asset	\$ 106,943	\$ 153,572	\$ 58,857	\$ 51,463
County's covered payroll	\$ 409,550	\$ 459,185	\$ 432,683	\$ 389,575
County's proportionate share of the net pension asset as a percentage of its covered payroll	26.11%	33.44%	13.60%	13.21%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.078083%	0.078923%	0.065284%	0.071569%
County's proportionate share of the net pension asset	\$ 1,701	\$ 2,637	\$ 259	\$ 274
County's covered payroll	\$ 427,240	\$ 411,510	\$ 268,300	\$ 394,092
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.40%	0.64%	0.10%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.46%	103.40%	103.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>	<u>2014</u>
	0.127219%	0.127219%
\$	14,684,663	\$ 14,352,986
\$	15,229,083	\$ 16,090,392
	96.43%	89.20%
	86.45%	86.36%
	0.116450%	0.110645%
\$	40,770	\$ 11,111
\$	404,450	\$ 346,754
	10.08%	3.20%
	114.83%	104.56%
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX YEARS

	2019	2018	2017	2016
County's proportion of the net pension liability	0.004758%	0.004687%	0.005000%	0.004600%
County's proportionate share of the net pension liability	\$ 1,052,285	\$ 1,030,584	\$ 1,187,841	\$ 1,539,826
County's covered-employee payroll	\$ 573,536	\$ 561,850	\$ 564,600	\$ 553,757
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	183.47%	183.43%	210.39%	278.07%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.30%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>		<u>2014</u>
	0.004888%		0.004711%
\$	1,351,019	\$	1,145,990
\$	555,685	\$	518,723
	243.13%		220.93%
	72.10%		74.70%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,535,908	\$ 2,450,531	\$ 2,186,428	\$ 1,958,600
Contributions in relation to the contractually required contribution	<u>(2,535,908)</u>	<u>(2,450,531)</u>	<u>(2,186,428)</u>	<u>(1,958,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 18,113,629	\$ 17,503,793	\$ 16,818,677	\$ 16,321,667
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 62,334	\$ 57,337	\$ 59,694	\$ 51,922
Contributions in relation to the contractually required contribution	<u>(62,334)</u>	<u>(57,337)</u>	<u>(59,694)</u>	<u>(51,922)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 445,243	\$ 409,550	\$ 459,185	\$ 432,683
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 46,302	\$ 42,724	\$ 41,151	\$ 32,196
Contributions in relation to the contractually required contribution	<u>(46,302)</u>	<u>(42,724)</u>	<u>(41,151)</u>	<u>(32,196)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 463,020	\$ 427,240	\$ 411,510	\$ 268,300
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	12.00%

Note: Information prior to 2010 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,732,105	\$ 1,827,490	\$ 2,091,751	\$ 1,624,062	\$ 1,683,932	\$ 1,571,134
<u>(1,732,105)</u>	<u>(1,827,490)</u>	<u>(2,091,751)</u>	<u>(1,624,062)</u>	<u>(1,683,932)</u>	<u>(1,571,134)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,434,208	\$ 15,229,083	\$ 16,090,392	\$ 16,240,620	\$ 16,839,320	\$ 17,613,610
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
\$ 46,749	\$ 48,534	\$ 45,078	\$ 22,098	\$ 20,450	\$ 25,508
<u>(46,749)</u>	<u>(48,534)</u>	<u>(45,078)</u>	<u>(22,098)</u>	<u>(20,450)</u>	<u>(25,508)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 389,575	\$ 404,450	\$ 346,754	\$ 277,962	\$ 257,233	\$ 263,240
12.00%	12.00%	13.00%	7.95%	7.95%	9.69%
\$ 47,291					
<u>(47,291)</u>					
<u>\$ -</u>					
\$ 394,092					
12.00%					

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 83,993	\$ 80,295	\$ 78,659	\$ 79,044
Contributions in relation to the contractually required contribution	<u>(83,993)</u>	<u>(80,295)</u>	<u>(78,659)</u>	<u>(79,044)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 599,950	\$ 573,536	\$ 561,850	\$ 564,600
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 77,526	\$ 72,239	\$ 67,434	\$ 66,845	\$ 74,025	\$ 72,698
<u>(77,526)</u>	<u>(72,239)</u>	<u>(67,434)</u>	<u>(66,845)</u>	<u>(74,025)</u>	<u>(72,698)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 553,757	\$ 555,685	\$ 518,723	\$ 514,192	\$ 569,423	\$ 559,215
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS

	2019	2018	2017
County's proportion of the net OPEB liability	0.131868%	0.129140%	0.125744%
County's proportionate share of the net OPEB liability	\$ 16,435,790	\$ 13,423,280	\$ 12,700,586
County's covered payroll	\$ 18,340,583	\$ 17,689,372	\$ 17,022,650
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.61%	75.88%	74.61%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.15%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.004758%	0.004687%	0.005000%
County's proportionate share of the net OPEB liability (asset)	\$ (78,810)	\$ (75,000)	\$ 195,095
County's covered-employee payroll	\$ 573,536	\$ 561,850	\$ 564,600
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	13.74%	13.35%	34.55%
Plan fiduciary net position as a percentage of the total OPEB liability	174.70%	176.00%	47.10%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ 18,521	\$ 17,090	\$ 193,853	\$ 336,197
Contributions in relation to the contractually required contribution	(18,521)	(17,090)	(193,853)	(336,197)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 19,021,892	\$ 18,340,583	\$ 17,689,372	\$ 17,022,650
Contributions as a percentage of covered payroll	0.10%	0.09%	1.10%	1.97%

Note: Information prior to 2010 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 296,476	\$ 333,730	\$ 160,446	\$ 644,704	\$ 665,686	\$ 874,963
<u>(296,476)</u>	<u>(333,730)</u>	<u>(160,446)</u>	<u>(644,704)</u>	<u>(665,686)</u>	<u>(874,963)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,217,875	\$ 15,633,533	\$ 16,437,146	\$ 16,518,582	\$ 17,096,553	\$ 17,876,850
1.95%	2.13%	0.98%	3.90%	3.89%	4.89%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 599,950	\$ 573,536	\$ 561,850	\$ 564,600
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 4,965	\$ 5,187	\$ 5,141	\$ 5,694	\$ 5,592
<u>-</u>	<u>(4,965)</u>	<u>(5,187)</u>	<u>(5,141)</u>	<u>(5,694)</u>	<u>(5,592)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 553,757	\$ 555,685	\$ 518,723	\$ 514,192	\$ 569,423	\$ 559,215
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

SENECA COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018-2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate.

SENECA COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Job and Family Services</i>			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1819-11-5804 / G-2021-11-5991	\$ 403,439
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster			
National School Lunch Program			
NonCash Assistance (Food Distribution)	10.555	IRN066241	6,958
Cash Assistance	10.555	IRN066241	4,386
NonCash Assistance (Food Distribution)	10.555	IRN093286	18,865
Cash Assistance	10.555	IRN093286	765
Total CFDA #10.555			<u>30,974</u>
School Breakfast Program	10.553	IRN093286	9,654
Total Child Nutrition Cluster			<u>40,628</u>
Total U.S. Department of Agriculture			<u>444,067</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-17-1CQ-1	<u>23,501</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through the Ohio Attorney General</i>			
Crime Victim Assistance	16.575	2019-VOCA-132134390	142,541
Crime Victim Assistance	16.575	2019-SVAA-132134394	5,614
Crime Victim Assistance	16.575	2020-VOCA-132924346	31,622
Crime Victim Assistance	16.575	2020-SVAA-132924349	1,394
Total CFDA #16.575			<u>181,171</u>
Drug Court Discretionary Grant Program	16.585	2018-DC-BX-0135	125,000
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2018-MO-BX-0049	<u>22,104</u>
Total U.S. Department of Justice			<u>328,275</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Montgomery County Workforce Investment Act (WIOA) Area 7</i>			
WIOA Cluster			
WIOA Adult Program	17.258	2018-7174-1	96,660
WIOA Youth Activities	17.259	2018-7174-1	199,853
WIOA Dislocated Worker Formula Grants	17.278	2018-7174-1	50,833
Total WIOA Cluster			<u>347,346</u>
Employment Services Cluster			
Employment Service/Wagner-Peyser Funded Activities	17.207	2018-7174-1	9,884
Trade Adjustment Assistance	17.245	2018-7174-1	<u>1,563</u>
Total U.S. Department of Labor			<u>358,793</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Direct</i>			
Airport Improvement Program	20.106	3-39-0076-012-2018	99,883
Airport Improvement Program	20.106	3-39-0076-013-2019	<u>36,735</u>
Total CFDA # 20.106			<u>136,618</u>
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	#102275	43,971
Highway Planning and Construction	20.205	#102276	83,768
Highway Planning and Construction	20.205	#103869	836,637
Highway Planning and Construction	20.205	#105970	<u>478,594</u>
Total Highway Planning and Construction Cluster			<u>1,442,970</u>
<i>Passed Through Ohio Department of Public Safety</i>			
Highway Safety Cluster			
State and Community Highway Safety	20.600	IDEP/STEP-2019-0-00048	9,664
State and Community Highway Safety	20.600	IDEP/STEP-2020-0-00059	<u>2,984</u>
Total Highway Safety Cluster			<u>12,648</u>

(Continued)

SENECA COUNTY

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
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	IDEP/STEP-2019-0-00048	11,511
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	IDEP/STEP-2020-0-00059	6,304
Total CFDA # 20.608			<u>17,815</u>
Total U.S. Department of Transportation			<u>1,610,051</u>
U.S. ELECTION ASSISTANCE COMMISSION			
Passed Through Ohio Secretary of State			
2019 HAVA Election Security Grants	90.404	N/A	<u>50,000</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79T1081926-01	200,000
Passed Through Ohio Department of Job and Family Services			
Promoting Safe and Stable Families	93.556	G-1819-11-5804 / G-2021-11-5991	22,499
TANF Cluster			
Temporary Assistance for Needy Families	93.558	G-1819-11-5804 / G-2021-11-5991	672,885
Child Support Enforcement	93.563	G-1819-11-5804 / G-2021-11-5991	787,429
CCDF Cluster			
Child Care and Development Block Grant	93.575	G-1819-11-5804 / G-2021-11-5991	36,769
Grants to States for Access and Visitation Programs	93.597	G-1819-11-5804 / G-2021-11-5991	91,739
Foster Care Title IV-E	93.658	G-1819-11-5804 / G-2021-11-5991	362,742
Adoption Assistance	93.659	G-1819-11-5804 / G-2021-11-5991	160,825
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1819-11-5804 / G-2021-11-5991	6
Children's Health Insurance Program	93.767	G-1819-11-5804 / G-2021-11-5991	10,296
Passed Through Ohio Department of Job and Family Services			
Social Services Block Grant	93.667	G-1819-11-5804 / G-2021-11-5991	768,223
Passed Through Ohio Department of Developmental Disabilities			
Social Services Block Grant	93.667	1901OHSOSR	36,560
Total CFDA # 93.667			<u>804,783</u>
Passed Through Ohio Department of Job and Family Services			
Medicaid Cluster			
Medical Assistance Program	93.778	G-1819-11-5804 / G-2021-11-5991	517,885
Passed Through Ohio Department of Developmental Disabilities			
Medical Assistance Program	93.778	19050H5ADM	206,290
Medical Assistance Program	93.778	20050H5ADM	72,800
Total Medicaid Cluster			<u>796,975</u>
Total U.S. Department of Health and Human Services			<u>3,946,948</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Ohio Emergency Management Agency			
Hazard Mitigation Grant	97.039	HMGP-DR-4360-OH	9,450
Emergency Management Performance Grants	97.042	EMC-2018-EP-00008-S01	24,735
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005	31,514
Total Emergency Management Performance Grants			<u>56,249</u>
Total U.S. Department of Homeland Security			<u>65,699</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Special Education Cluster (IDEA)			
Special Education_Grants to States	84.027	FY2019	6,401
Special Education_Grants to States	84.027	FY2020	15,637
Total Special Education Cluster (IDEA)			<u>22,038</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,849,372</u>

The accompanying notes are an integral part of this schedule

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SENECA COUNTY

**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 Seneca County, Ohio (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, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following 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 – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The County reports commodities consumed on the Schedule at the entitlement value. The County allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE F – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's CDBG local program income account as of December 31, 2019 is \$62,039.

The current cash balance on the County's HOME local program income account as of December 31, 2019 is \$84,067.

NOTE G – 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.

SENECA COUNTY

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

NOTE H – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2019, the County made allowable transfers of \$520,919 from the Temporary Assistance for Needy Families (TANF) (CFDA #93.558) program to the Social Services Block Grant (SSBG) (CFDA #93.667) program. The Schedule shows the County spent approximately \$672,885 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2019 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 1,193,804
Transfer to Social Services Block Grant	<u>(520,919)</u>
Total Temporary Assistance for Needy Families	<u>\$ 672,885</u>

NOTE I – COST REPORT SETTLEMENTS

During the calendar year, the County Board of Developmental Disabilities received a Cost Report MAC settlement payment for the 2015 and 2016 Cost reports from the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of \$528 and \$377 respectively. The Cost Report MAC Settlement payment (liability) was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This revenue is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in the prior reporting periods.

NOTE J – PRIOR FEDERAL EXPENDITURES

The County signed a grant agreement with the U.S. Department of Transportation Federal Aviation Administration (FFA) (CFDA #20.106) on September 4, 2018 for land acquisition, obstruction removal and demolition at the Seneca County Airport. The FFA approved expenditures from before the grant was in place, including \$19,126 from 2018, \$14,826 from 2017 and \$2,408 from 2016. Therefore, the amounts on the 2019 Federal Schedule are the amounts reimbursed in 2019 of \$99,883.

The County signed a grant agreement with the U.S. Department of Transportation Federal Aviation Administration (FFA) (CFDA #20.106) on August 22, 2019 for the design and construction of taxiway pavement rehabilitation at the Seneca County Airport. The FFA approved expenditures from 2018, before the grant was in place of \$1,535. Therefore, the amounts on the 2019 Federal Schedule are the amounts reimbursed in 2019 of \$36,735.

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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**

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca 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 October 28, 2020, wherein we noted the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted Seneca Re-Ad Industries, Inc. is no longer reported as a component unit of the County. In addition, 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

October 28, 2020



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

**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**

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Seneca County, Ohio's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Seneca 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.

Opinion on Each Major Federal Program

In our opinion, Seneca County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State

Columbus, Ohio

October 28, 2020

SENECA COUNTY
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)?	No
(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)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	WIOA Cluster Highway Planning and Construction Cluster Medicaid Cluster Social Services Block Grant – CFDA #93.667
(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**

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



SENECA 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 11/17/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov