



AUGLAIZE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

**AUGLAIZE COUNTY
DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Auglaize County, Ohio (the County), as of and for the year ended December 31, 2020, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Auglaize County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, MVGT, and ACDD funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding 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 the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 4, 2021

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**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

As management of Auglaize County (the County), we offer readers of the County's financial statement this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the County exceed liabilities and deferred inflows at December 31, 2020 by \$54,240,392. This amount includes the reporting of a net pension/OPEB liability of \$33.1 million in accordance with governmental reporting standards. On a fund level basis, where this liability is not required to be recorded, the County has a total governmental fund balance of \$36,104,617 an increase of \$4,393,976 in comparison to the prior year. The County's business type activities reported a decrease in net position of \$30,968.

At the end of the current fiscal year the unassigned fund balance for the general fund was \$8,799,111 which is available for spending at the County's discretion. The County's outstanding debt, not considering any additions, decreased by \$180,965 in governmental activities. In the general fund actual revenues were 20.7 percent higher than budgeted and expenditures were 19.8 percent less than the budgeted amount not considering other financing sources and uses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements are comprised of three parts: 1) government-wide financial statements, 2) fund financial statements including budgetary statements for the general fund and major special revenue funds, and 3) notes to the financial statements.

Government-wide Financial Statements - These statements are intended to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statement of net position presents information on all County assets and deferred outflows and liabilities and deferred inflows with the difference between the two reported as net position. The statement of activities distinguish functions of the County that are mainly supported by taxes and intergovernmental revenues (governmental) from functions that are intended to recover a significant portion of their costs through user fees and charges (business-type). Governmental activities include general government (legislative, executive and judicial), public safety, public works, health, human services, and other.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. 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.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 to facilitate this comparison between governmental funds and governmental activities.

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

The county maintains 456 governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Motor Vehicle and Gasoline Tax (MVGT) Fund, and the Auglaize County Developmental Disabilities (ACDD) Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. The County adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund and each major special revenue fund to demonstrate compliance with the budget.

Proprietary Funds – The County maintains two types of 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 its sewer operations and County Home (Auglaize Acres, which was sold December 26, 2018). Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its health insurance and various rotary funds. Because this service benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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.

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.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$54,240,392 as of December 31, 2020.

	Table 1 Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$49,052,861	\$44,708,589	\$3,004,509	\$2,927,961	\$52,057,370	\$47,636,550
Capital Assets, Net	47,791,174	45,171,339	3,130,920	3,214,598	50,922,094	48,385,937
Total Assets	<u>96,844,035</u>	<u>89,879,928</u>	<u>6,135,429</u>	<u>6,142,559</u>	<u>102,979,464</u>	<u>96,022,487</u>
Deferred Outflow						
Pension	3,254,700	9,142,696			3,254,700	9,142,696
OPEB	2,243,196	1,280,797			2,243,196	1,280,797
Total Deferred Outflow	<u>5,497,896</u>	<u>10,423,493</u>			<u>5,497,896</u>	<u>10,423,493</u>
Liabilities						
Current and Other Liabilities	3,177,412	2,713,701	42,520	50,741	3,219,932	2,764,442
Long-Term: Liabilities	1,874,014	2,875,579	58,611	26,552	1,932,625	2,902,131
Net Pension Liability	19,638,585	31,423,864			19,638,585	31,423,864
Net OPEB Liability	13,490,902	14,962,647			13,490,902	14,962,647
Total Liabilities	<u>38,180,913</u>	<u>51,975,791</u>	<u>101,131</u>	<u>77,293</u>	<u>38,282,044</u>	<u>52,053,084</u>

(continued)

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred Inflows						
Property Taxes	6,782,402	6,548,626			6,782,402	6,548,626
Pension	6,191,930	412,613			6,191,930	412,613
OPEB	2,980,592	40,598			2,980,592	40,598
Total Def Inflows	<u>15,954,924</u>	<u>7,001,837</u>			<u>15,954,924</u>	<u>7,001,837</u>
Net Position						
Net Investment in Capital Assets	47,476,874	44,836,739	3,072,309	3,188,047	50,549,183	48,024,786
Restricted	24,616,198	23,297,658			24,616,198	23,297,658
Unrestricted	<u>(23,886,978)</u>	<u>(26,808,604)</u>	<u>2,961,989</u>	<u>2,877,219</u>	<u>(20,924,989)</u>	<u>(23,931,385)</u>
Total Net Position	<u>\$48,206,094</u>	<u>\$41,325,793</u>	<u>\$6,034,298</u>	<u>\$6,065,266</u>	<u>\$54,240,392</u>	<u>\$47,391,059</u>

The largest impact on the County's financial statement in 2020 had absolutely no impact on the County's financial condition; GASB Statement 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" require the County to recognize a net pension and OPEB liability of \$33 million. Users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension/OPEB and the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB. The resulting net position for governmental activities would be \$85,010,207 vs the \$48,206,094.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension and OPEB costs, GASB 27 and 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* and *net OPEB liability*. GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68 and GASB 75, the pension and OPEB liability equals the County's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less 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. GASB noted that the unfunded portion of the pension and OPEB promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension and postemployment benefit system. In Ohio, there is no legal means to enforce the unfunded liability of the pension and OPEB system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension and OPEB system is responsible for the administration of the plan.

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 and other postemployment benefit liability. As explained above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension and OPEB liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension and OPEB payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension and OPEB liability is satisfied, this liability is separately identified with in 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 and OPEB expense for their proportionate share of each plan's *change* in net pension liability and other postemployment benefit liability not accounted for as deferred inflows/outflows.

The largest portion of the County's net position, over 98 percent, reflects its investment in capital assets (land and improvements, construction in progress, buildings and improvements, equipment/furniture/fixtures, and infrastructure), less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. As of December 31, 2020, the County is able to report positive balances in only two categories of net position instead of all three due to the implementation of GASB 68 and GASB 75.

Analysis of the County's Operation – The following table provides a summary of the County's operations for 2020. The more significant changes are as follows:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$9,071,636	\$8,350,501	\$565,252	\$514,171	\$9,636,888	\$8,864,672
Operating Grants	14,453,864	12,695,202			14,453,864	12,695,202
Capital Grants/Contributions	856,326	2,522,052		18,000	856,326	2,540,052
General Revenues:						
Property Taxes	6,385,244	6,294,700			6,385,244	6,294,700
Sales Tax	11,254,014	11,076,808			11,254,014	11,076,808
Intergovernmental	1,022,949	1,118,423			1,022,949	1,118,423
Loss on Sale of Assets	(77,923)	(10,965)	(6,145)		(84,068)	(10,965)
Miscellaneous	1,712,319	684,661	42,993	34,856	1,755,312	719,517
Interest	352,769	675,892			352,769	675,892
Total Revenues	45,031,198	43,407,274	602,100	567,027	45,633,298	43,974,301

(continued)

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program Expenses						
General Government	9,104,655	11,227,480			9,104,655	11,227,480
Public Safety	6,793,159	9,332,835			6,793,159	9,332,835
Public Works	6,684,227	7,138,303			6,684,227	7,138,303
Health	7,291,450	7,945,628			7,291,450	7,945,628
Human Services	5,385,208	6,292,550			5,385,208	6,292,550
Other	2,357,576	2,398,544			2,357,576	2,398,544
Interest & Fiscal Charges	16,872	18,220			16,872	18,220
Economic Development	517,750				517,750	
Sewer			566,063	580,047	566,063	580,047
Auglaize Acres			67,005	57,980	67,005	57,980
Total Expenses	<u>38,150,897</u>	<u>44,353,560</u>	<u>633,068</u>	<u>638,027</u>	<u>38,783,965</u>	<u>44,991,587</u>
Changes in Net Position	6,880,301	(946,286)	(30,968)	(71,000)	6,849,333	(1,017,286)
Net Position January 1	41,325,793	42,272,079	6,065,266	6,136,266	47,391,059	48,408,345
Net Position December 31	<u>\$48,206,094</u>	<u>\$41,325,793</u>	<u>\$6,034,298</u>	<u>\$6,065,266</u>	<u>\$54,240,392</u>	<u>\$47,391,059</u>

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. Table 3 shows the total cost of services and the net cost of services for governmental activities for 2020 and 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. This table also shows the cost of services for business type activities along with the related charges for services and grants to offset the costs of providing the services.

**Table 3
Total Costs versus Net Costs
Governmental Type Activities**

	<u>2020</u>		<u>2019</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Current:				
General Government:				
Legislative and Executive	\$6,523,652	\$4,149,595	\$7,743,717	\$5,417,533
Judicial	2,581,003	626,745	3,483,763	1,309,699
Public Safety	6,793,159	4,518,898	9,332,835	8,133,505
Public Works	6,684,227	(1,511,046)	7,138,303	(1,695,456)
Health	7,291,450	2,550,347	7,945,628	3,394,067
Human Services	5,385,208	1,062,284	6,292,550	1,812,393
Other	2,357,576	2,355,376	2,398,544	2,395,844
Interest and Fiscal Charges	16,872	16,872	18,220	18,220
Economic Development	517,750			
Total Expenses	<u>\$38,150,897</u>	<u>\$13,769,071</u>	<u>\$44,353,560</u>	<u>\$20,785,805</u>

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Business Type Activities			
	2020		2019	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Auglaize Acres	\$67,005	\$67,005	\$57,980	\$11,650
Sewer	566,063	811	580,047	94,206
Total Expenses	<u>\$633,068</u>	<u>\$67,816</u>	<u>\$638,027</u>	<u>\$105,856</u>

Financial Analysis of the Government's Funds - As noted earlier, Auglaize 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 spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Auglaize County's governmental funds reported total fund balances of \$36,104,617. Of this \$8,799,111 constitutes unassigned fund balance of the general fund, which is available for spending at the County's discretion. The remainder of the fund balances includes \$3,908 for debt service payments and \$2,612,711 for usage by the County's capital projects fund.

The general fund is the chief operating fund of the county. At the end of the current fiscal year, the unassigned balance was \$8,799,111 while the total fund balance was \$14,422,619.

The other major governmental funds of the County are Motor Vehicle and Gasoline Tax (MVGT), and Auglaize County Developmental Disabilities (ACDD).

The MVGT fund balance has increased by \$229,226 to \$2,270,064. The ACDD fund balance has increased by \$890,371 to \$9,502,104.

Enterprise Funds - The County's enterprise funds had a decrease in net position. These funds comprise of the County's business type activities.

The county home's (Auglaize Acres) net position decreased by (\$27,512) to \$1,758,306. On December 26, 2018 the county home (Auglaize Acres) was sold. The various sewers fund net position decreased by (\$3,456) to \$4,275,992.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash revenues, expenditures, and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, actual revenues and other financing sources were \$2,987,341 higher than final budget estimates of \$14,485,373. Total actual expenditures and other financing uses were \$3,647,827 less than the final budgeted expenditures.

**AUGLAIZE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Capital Assets and Debt Administration

**Table 4
Capital Assets at Year-End
Net of Accumulated Depreciation**

	Governmental Activities		Business-Type		Total	
	2020	2019	2020	2019	2020	2019
Land & Improvements	\$2,948,986	\$2,649,537	\$100,686	\$108,508	\$3,049,672	\$2,758,045
Infrastructure	24,093,131	22,794,682	2,792,373	2,919,042	26,885,504	25,713,724
Buildings/Improvements	15,947,707	12,159,254	54,509	56,879	16,002,216	12,216,133
Construction in Progress	315,728	3,312,408	121,071	89,012	436,799	3,401,420
Equipment, Furniture /Fixtures	4,485,622	4,255,458	62,281	41,157	4,547,903	4,296,615
Total	<u>\$47,791,174</u>	<u>\$45,171,339</u>	<u>\$3,130,920</u>	<u>\$3,214,598</u>	<u>\$50,922,094</u>	<u>\$48,385,937</u>

**Table 5
Outstanding Debt at Year-End**

	Governmental Activities		Business-Type		Total	
	2020	2019	2020	2019	2020	2019
Ohio Public Works Loans Special Assessment Notes	\$410,086	\$439,969	\$58,611	\$26,552	\$468,697	\$466,521
Total	<u>\$1,083,460</u>	<u>\$996,865</u>	<u>\$58,611</u>	<u>\$26,552</u>	<u>\$1,142,071</u>	<u>\$1,023,417</u>

Fifty nine percent of the debt is in the form of ditch notes which are issued primarily for drainage improvement.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The county's unemployment rate is 3.7 percent, 1.9 percent lower than the state rate of 5.6 percent (December, 2020). Unfortunately 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 will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The County received monies from the Coronavirus Aid, Relief and Economic Security Act in 2020. The Board of County Commissioners established the CARES Small Business Grant Program and distributed \$517,750 to help lessen the economic damage caused by the pandemic to eligible recipients in the county.

The Sewers, Business-type activities, should remain relatively unchanged for 2021.

Ditch note debt incurred since January 1, 2021 is \$0.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with general overview of the County's finances. If you have questions about this report contact the Auglaize County Auditor's Office by calling 419-739-6705 or writing the County Auditor at 209 S Blackhoof St, Suite 102, Wapakoneta Ohio 45895.

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AUGLAIZE COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 30,667,148	\$ 2,480,354	\$ 33,147,502
Cash and Cash Equivalents in Segregated Accounts	53,195		53,195
Cash and Cash Equivalents With Fiscal Agent	2,550,133		2,550,133
Materials and Supplies Inventory	635,585		635,585
Accrued Interest Receivable	54,080		54,080
Accounts Receivable	145,602	483,239	628,841
Internal Balances	18,510	(17,695)	815
Due from Other Governments	4,883,405		4,883,405
Prepaid Items	380,187		380,187
Sales Taxes Receivable	1,946,603		1,946,603
Property Taxes Receivable	6,904,218		6,904,218
Notes Receivable	45,035		45,035
Special Assessments Receivable	769,160	58,611	827,771
Non Depreciable Assets	2,698,029	221,757	2,919,786
Depreciable Capital Assets, Net	45,093,145	2,909,163	48,002,308
Total Assets	96,844,035	6,135,429	102,979,464
Deferred Outflows of Resources			
Pension	3,254,700		3,254,700
OPEB	2,243,196		2,243,196
Total Deferred Outflows of Resources	5,497,896		5,497,896
Liabilities			
Accounts Payable	537,483	35,191	572,674
Contracts Payable	343,617		343,617
Accrued Wages	351,877		351,877
Due to Other Governments	517,502	1,172	518,674
Employee Withholding Payable	122,107		122,107
Due to Clients		6,157	6,157
Accrued Interest Payable	7,290		7,290
Undistributed Assets	53,195		53,195
Long-Term Liabilities:			
Due Within One Year	1,244,341		1,244,341
Due in More than One Year:			
Net Pension Liability	19,638,585		19,638,585
Net OPEB Liability	13,490,902		13,490,902
Other Amounts Due In More Than One Year	1,874,014	58,611	1,932,625
Total Liabilities	38,180,913	101,131	38,282,044
Deferred Inflows of Resources			
Property taxes levied for the next year	6,782,402		6,782,402
Pension	6,191,930		6,191,930
OPEB	2,980,592		2,980,592
Total Deferred Inflows of Resources	15,954,924		15,954,924
Net Position			
Net Investment in Capital Assets	47,476,874	3,072,309	50,549,183
Restricted for:			
Capital Projects	2,774,855		2,774,855
Debt Service	55,249		55,249
Other Purposes	21,786,094		21,786,094
Unrestricted (Deficit)	(23,886,978)	2,961,989	(20,924,989)
Total Net Position	\$ 48,206,094	\$ 6,034,298	\$ 54,240,392

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities:				
Current:				
General Government:				
Legislative and Executive	\$6,523,652	\$1,472,470	\$743,524	\$158,063
Judicial	2,581,003	1,445,894	508,364	
Public Safety	6,793,159	493,457	1,767,347	13,457
Public Works	6,684,227	3,718,772	3,821,310	655,191
Health	7,291,450	1,749,915	2,991,188	
Human Services	5,385,208	188,928	4,104,381	29,615
Other	2,357,576	2,200		
Interest and Fiscal Charges	16,872			
Economic Development	517,750		517,750	
Total Governmental Activities	38,150,897	9,071,636	14,453,864	856,326
Business-Type Activities:				
Auglaize Acres	67,005			
Sewer	566,063	565,252		
Total Business-Type Activities	633,068	565,252		
Total	\$38,783,965	\$9,636,888	\$14,453,864	\$856,326

General Revenues

Property Taxes Levied for:

General Purposes

Other Purposes

Sales Tax Levied for:

General Purposes

Other Purposes

Capital Outlay

Unrestricted Intergovernmental

Loss on Sale of Capital Asset

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue & Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$4,149,595)		(\$4,149,595)
(626,745)		(626,745)
(4,518,898)		(4,518,898)
1,511,046		1,511,046
(2,550,347)		(2,550,347)
(1,062,284)		(1,062,284)
(2,355,376)		(2,355,376)
(16,872)		(16,872)
<u>(13,769,071)</u>		<u>(13,769,071)</u>
	(67,005)	(67,005)
	(811)	(811)
	<u>(67,816)</u>	<u>(67,816)</u>
(13,769,071)	(67,816)	(13,836,887)
2,460,215		2,460,215
3,925,029		3,925,029
9,468,554		9,468,554
600,260		600,260
1,185,200		1,185,200
1,022,949		1,022,949
(77,923)	(6,145)	(84,068)
352,769		352,769
1,712,319	42,993	1,755,312
<u>20,649,372</u>	<u>36,848</u>	<u>20,686,220</u>
6,880,301	(30,968)	6,849,333
<u>41,325,793</u>	<u>6,065,266</u>	<u>47,391,059</u>
<u>\$48,206,094</u>	<u>\$6,034,298</u>	<u>\$54,240,392</u>

**AUGLAIZE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	MVGT	ACDD	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$12,054,021	\$1,007,369	\$7,087,535	\$10,515,343	\$30,664,268
Cash and Cash Equivalents With Fiscal Agent	53,195		2,496,938		2,550,133
Due from other Governments	1,004,155	2,792,886	373,746	584,584	4,755,371
Materials and Supplies Inventory	71,771	547,514	2,456	13,844	635,585
Accrued Interest Receivable	12			54,068	54,080
Accounts Receivable	1,354	24,569		119,679	145,602
Due from other Funds	655,023	3,368	19,399	360,231	1,038,021
Prepaid Items	267,408	26,883	4,360	81,536	380,187
Sales Taxes Receivable	1,646,603			300,000	1,946,603
Property Taxes Receivable	2,711,687		4,192,531		6,904,218
Note Receivable				45,035	45,035
Special Assessments Receivable				769,160	769,160
Total Assets	\$18,465,229	\$4,402,589	\$14,176,965	\$12,843,480	\$49,888,263
Liabilities					
Accounts Payable	\$ 129,864	\$ 84,252	\$ 73,120	\$ 235,484	\$ 522,720
Contracts Payable	30,036	71,296		242,285	343,617
Accrued Wages	205,233	29,411	47,443	67,554	349,641
Intergovernmental Payable	135,445	27,955	20,786	331,655	515,841
Employee Withholding Payable	73,606	15,479	10,477	21,642	121,204
Undistributed Assets	53,195				53,195
Due to Other Funds	6,867	5,999		895,695	908,561
Total Liabilities	634,246	234,392	151,826	1,794,315	2,814,779
Deferred Inflows of Resources					
Property taxes levied for the next fiscal year	2,670,795		4,111,607		6,782,402
Revenue not available:					
Delinquent property tax	40,892		80,924		121,816
Charges for Services		5,098		12,075	17,173
Intergovernmental	696,677	1,893,035	330,504	304,032	3,224,248
Special Assessments				769,160	769,160
Accrued Interest				54,068	54,068
Total Deferred Inflows of Resources	3,408,364	1,898,133	4,523,035	1,139,335	10,968,867
Fund Balances					
Nonspendable:					
Inventory	71,771	547,514	2,456	13,844	635,585
Prepays	267,408	26,883	4,360	81,536	380,187
Notes Receivable				45,035	45,035
Interfund Receivable	649,666			125,921	775,587
Restricted for:					
Debt Service				3,908	3,908
Capital Outlay				105,488	105,488
MVGT		1,695,667			1,695,667
Developmental Disabilities			9,495,288		9,495,288
Other Purposes				6,450,027	6,450,027
Committed to:					
SWM				323,486	323,486
Capital Outlay				2,507,223	2,507,223
Other Purposes				298,613	298,613
Assigned	4,634,663				4,634,663
Unassigned	8,799,111			(45,251)	8,753,860
Total Fund Balances	14,422,619	2,270,064	9,502,104	9,909,830	36,104,617
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$18,465,229	\$4,402,589	\$14,176,965	\$12,843,480	\$49,888,263

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Total Governmental Funds Balances		\$36,104,617
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		47,791,174
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Grants	995,799	
Property Tax	121,816	
Auto Registration Permissive Tax	237,980	
Special Assessments	769,160	
Interest	54,068	
Local Government	146,190	
Casino Revenue	139,809	
Gas Tax	1,018,091	
Charges for Services	17,173	
License Tax	<u>686,379</u>	
Total		4,186,465
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Special Assessment Notes	(673,375)	
Compensated Absences	(2,034,790)	
Ohio Public Works Loan	(410,085)	
Accrued Interest Payable	<u>(7,290)</u>	
Total		(3,125,540)
The net pension/OPEB liability is not refunded/due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	3,254,700	
Deferred Inflows - Pension	(6,191,930)	
Net Pension Liability	(19,638,585)	
Deferred Outflows - OPEB	2,243,196	
Deferred Inflows - OPEB	(2,980,592)	
Net OPEB Liability	<u>(13,490,902)</u>	
Total		(36,804,113)
An internal service fund is used by management to charge the costs of insurance to individual funds and for other internal service activity. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		<u>53,491</u>
Net Position of Governmental Activities		<u>\$48,206,094</u>

See accompanying notes to the basic financial statements.

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>MVGT</u>	<u>ACDD</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property Taxes	\$2,460,515		\$3,926,599		\$6,387,114
Sales and Permissive Tax	9,468,554	\$569,206		\$1,340,436	11,378,196
Interest	348,816	3,272	253	3,252	355,593
Licenses and Permits	2,817				2,817
Fines and Forfeitures	531,769	37,696		295,965	865,430
Intergovernmental	1,801,216	5,208,390	2,548,050	8,070,641	17,628,297
Charges for Services	1,914,382	343,150		2,390,523	4,648,055
Special Assessments				1,340,942	1,340,942
Other	1,154,893	107,716	123,407	832,887	2,218,903
Total Revenues	<u>17,682,962</u>	<u>6,269,430</u>	<u>6,598,309</u>	<u>14,274,646</u>	<u>44,825,347</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	4,297,506			916,112	5,213,618
Judicial	2,084,801			506,589	2,591,390
Public Safety	4,683,257			2,003,956	6,687,213
Public Works	295,107	6,046,034		1,256,826	7,597,967
Health	112,399		5,607,938	1,728,514	7,448,851
Human Services	373,390			5,178,861	5,552,251
Other	2,143,706			224,965	2,368,671
Capital Outlay				2,546,770	2,546,770
Economic Development				517,750	517,750
Debt Service:					
Principal Retirement				180,965	180,965
Interest and Fiscal Charges				16,006	16,006
Total Expenditures	<u>13,990,166</u>	<u>6,046,034</u>	<u>5,607,938</u>	<u>15,077,314</u>	<u>40,721,452</u>
Excess of Revenues Over/(Under) Expenditures	<u>3,692,796</u>	<u>223,396</u>	<u>990,371</u>	<u>(802,668)</u>	<u>4,103,895</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	20,699	26,130		14,882	61,711
Other Financing Sources	212				212
Other Financing Uses	(2,902)				(2,902)
Proceeds from Notes				267,560	267,560
Transfers In				564,903	564,903
Transfers Out	(308,538)	(20,300)	(100,000)	(172,565)	(601,403)
Total Other Financing Sources (Uses)	<u>(290,529)</u>	<u>5,830</u>	<u>(100,000)</u>	<u>674,780</u>	<u>290,081</u>
Net Change in Fund Balances	3,402,267	229,226	890,371	(127,888)	4,393,976
Fund Balances (Deficits) Beginning of Year	11,020,352	2,040,838	8,611,733	10,037,718	31,710,641
Fund Balances (Deficits) End of Year	<u>\$14,422,619</u>	<u>\$2,270,064</u>	<u>\$9,502,104</u>	<u>\$9,909,830</u>	<u>\$36,104,617</u>

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds		\$ 4,393,976
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current year.		
Non Depreciable Capital Assets	654,989	
Depreciable capital assets	6,332,264	
Depreciation expense	<u>(4,227,784)</u>	2,759,469
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
Sale of capital assets	(61,711)	
Loss on sale of capital assets	<u>(77,923)</u>	(139,634)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	(100,062)	
Property Tax	1,870	
Auto Registration Permissive Tax	(64,383)	
Special Assessments	(106,895)	
Interest	(448)	
Local Government	(17,175)	
Casino Revenue	(7,266)	
Gas Tax	50,421	
Charges for Services	(16,034)	
License Tax	<u>(210,725)</u>	(470,697)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal		180,965
Note proceeds are other financing sources in governmental funds, but the issuance increases long-term liabilities on the statement of net position.		
Notes payable		(267,560)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued Interest		(866)
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.		
Compensated Absences		(160,497)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		2,141,414
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(1,029,279)
OPEB		(558,625)
The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds and to account for other internal service activity are not reported in the entity-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		
		<u>31,635</u>
Change in Net Position of Governmental Activities		<u><u>\$6,880,301</u></u>

See accompanying notes to the basic financial statements.

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$2,466,100	\$2,466,100	\$2,471,895	\$5,795
Sales tax	8,600,000	7,100,000	9,168,391	2,068,391
Charges for services	1,422,750	1,401,850	1,654,616	252,766
License and permits	2,700	2,700	2,818	118
Fines and forfeitures	627,300	557,000	529,298	(27,702)
Intergovernmental	1,612,657	1,400,457	1,810,111	409,654
Investment income	375,000	375,000	312,715	(62,285)
Other operating income	1,163,230	1,155,066	1,494,959	339,893
Total Revenues	<u>16,269,737</u>	<u>14,458,173</u>	<u>17,444,803</u>	<u>2,986,630</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	5,328,085	4,883,216	4,554,127	329,089
Judicial	2,600,342	2,307,532	1,918,879	388,653
Public Safety	7,929,884	7,210,705	4,850,319	2,360,386
Public Works	496,343	451,302	305,753	145,549
Health	122,315	120,095	113,138	6,957
Human Services	485,845	725,383	626,869	98,514
Other	2,483,142	2,420,142	2,160,744	259,398
Total Expenditures	<u>19,445,956</u>	<u>18,118,375</u>	<u>14,529,829</u>	<u>3,588,546</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,176,219)</u>	<u>(3,660,202)</u>	<u>2,914,974</u>	<u>6,575,176</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	10,000	10,000	20,699	10,699
Other Financing Sources	10,200	10,200	212	(9,988)
Other Financing Uses	(15,000)	(7,438)	0	7,438
Advances In	7,000	7,000	7,000	0
Advances Out			(2,000)	(2,000)
Transfers Out	(610,000)	(137,546)	(83,703)	53,843
Total Other Financing (Uses)	<u>(597,800)</u>	<u>(117,784)</u>	<u>(57,792)</u>	<u>59,992</u>
Net Change in Fund Balance	<u>(3,774,019)</u>	<u>(3,777,986)</u>	<u>2,857,182</u>	<u>6,635,168</u>
Fund Balance Beginning of Year	7,554,949	7,554,949	7,554,949	0
Prior Year Encumbrances Appropriated	230,332	230,332	230,332	0
Fund Balance End of Year	<u>\$ 4,011,262</u>	<u>\$ 4,007,295</u>	<u>\$ 10,642,463</u>	<u>\$ 6,635,168</u>

See accompanying notes to the basic financial statements.

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MVGT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales tax	\$565,000	\$565,000	\$568,649	\$3,649
Charges for services	450,000	450,000	355,058	(94,942)
Fines and forfeitures	30,000	30,000	39,920	9,920
Intergovernmental	5,490,000	5,490,000	5,270,893	(219,107)
Investment income	1,000	1,000	3,255	2,255
Other operating income	255,000	255,572	109,125	(146,447)
Total Revenues	<u>6,791,000</u>	<u>6,791,572</u>	<u>6,346,900</u>	<u>(444,672)</u>
Expenditures:				
Current:				
Public Works				
Personal services	3,021,303	2,974,722	2,621,636	353,086
Materials and supplies	1,821,344	1,766,344	1,435,751	330,593
Charges and services	2,317,983	2,419,564	1,912,715	506,849
Capital outlay and equipment	485,000	485,000	385,338	99,662
Other operating expense	35,711	35,711	20,450	15,261
Total Expenditures	<u>7,681,341</u>	<u>7,681,341</u>	<u>6,375,890</u>	<u>1,305,451</u>
Excess of Revenues (Under) Expenditures	<u>(890,341)</u>	<u>(889,769)</u>	<u>(28,990)</u>	<u>860,779</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets			26,130	26,130
Transfer Out	<u>(20,300)</u>	<u>(20,300)</u>	<u>(20,300)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(20,300)</u>	<u>(20,300)</u>	<u>5,830</u>	<u>26,130</u>
Net Change in Fund Balance	(910,641)	(910,069)	(23,160)	886,909
Fund Balance Beginning of Year	540,734	540,734	540,734	0
Prior Year Encumbrances Appropriated	<u>369,907</u>	<u>369,907</u>	<u>369,907</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$572</u></u>	<u><u>\$887,481</u></u>	<u><u>\$886,909</u></u>

See accompanying notes to the basic financial statements.

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ACDD FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$3,811,200	\$3,811,200	\$3,950,296	\$139,096
Intergovernmental	1,219,029	1,219,029	1,263,794	44,765
Investment income	200	200	252	52
Other operating income	97,800	97,800	123,407	25,607
Total Revenues	<u>5,128,229</u>	<u>5,128,229</u>	<u>5,337,749</u>	<u>209,520</u>
Expenditures:				
Current:				
Health:				
Personal services	2,473,535	2,473,535	2,105,529	368,006
Materials and supplies	52,945	65,445	51,886	13,559
Charges and services	2,806,215	2,806,215	2,570,446	235,769
Capital outlay and equipment	79,700	79,700	37,180	42,520
Other operating expense	28,000	40,500	24,020	16,480
Total Expenditures	<u>5,440,395</u>	<u>5,465,395</u>	<u>4,789,061</u>	<u>659,854</u>
Excess of Revenues Over (Under) Expenditures	<u>(312,166)</u>	<u>(337,166)</u>	<u>548,688</u>	<u>869,374</u>
Other Financing (Uses):				
Operating Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>(412,166)</u>	<u>(437,166)</u>	<u>448,688</u>	<u>869,374</u>
Fund Balance Beginning of Year	6,496,933	6,496,933	6,496,933	0
Prior Year Encumbrances Appropriated	<u>64,713</u>	<u>64,713</u>	<u>64,713</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$6,149,480</u></u>	<u><u>\$6,124,480</u></u>	<u><u>\$7,010,334</u></u>	<u><u>\$869,374</u></u>

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Business Type Activities Enterprise Funds			Governmental Activities
	Auglaize Acres	Sewers	Total	Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,364,567	\$1,115,787	\$2,480,354	\$56,075
Receivables				
Accounts	399,631	83,608	483,239	
Special Assessments Receivable		58,611	58,611	
Due From Other Funds				14,971
Due From Other Governments				128,034
Total Current Assets	<u>1,764,198</u>	<u>1,258,006</u>	<u>3,022,204</u>	<u>199,080</u>
Noncurrent Assets				
Non Depreciable Assets		221,757	221,757	
Depreciable Capital Assets, Net		2,909,163	2,909,163	
Total Noncurrent Assets		<u>3,130,920</u>	<u>3,130,920</u>	
Total Assets	<u>1,764,198</u>	<u>4,388,926</u>	<u>6,153,124</u>	<u>199,080</u>
Liabilities				
Current Liabilities				
Accounts Payable		35,191	35,191	14,764
Accrued Wages				2,236
Intergovernmental Payable	1,172		1,172	1,661
Due to Other Funds		17,695	17,695	125,921
Due to Clients	4,720	1,437	6,157	
Employee Withholding Payable				903
Compensated Absences Payable				101
Total Current Liabilities	<u>5,892</u>	<u>54,323</u>	<u>60,215</u>	<u>145,586</u>
Long-Term Liabilities				
Other Amounts Due In More Than One Year		58,611	58,611	4
Total Long-Term Liabilities		<u>58,611</u>	<u>58,611</u>	<u>4</u>
Total Liabilities	<u>5,892</u>	<u>112,934</u>	<u>118,826</u>	<u>145,590</u>
Net Position				
Net Investment in Capital Assets		3,072,309	3,072,309	
Unrestricted	1,758,306	1,203,683	2,961,989	53,490
Total Net Position	<u>\$1,758,306</u>	<u>\$4,275,992</u>	<u>\$6,034,298</u>	<u>\$53,490</u>

See accompanying notes to the basic financial statements.

AUGLAIZE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business Type Activities Enterprise Funds			Governmental Activities
	Auglaize Acres	Sewers	Total	Internal Service Funds
Operating Revenues				
Charges for Services		\$533,193	\$533,193	\$4,234,695
Special Assessments		32,059	32,059	
Total Operating Revenues		<u>565,252</u>	<u>565,252</u>	<u>4,234,695</u>
Operating Expenses				
Personal Services	\$17,019		17,019	131,023
Contractual Services	1,800	431,875	433,675	3,900,396
Materials and Supplies		1,073	1,073	209,154
Other	48,186		48,186	48
Depreciation		133,115	133,115	
Total Operating Expenses	<u>67,005</u>	<u>566,063</u>	<u>633,068</u>	<u>4,240,621</u>
Operating (Loss)	<u>(67,005)</u>	<u>(811)</u>	<u>(67,816)</u>	<u>(5,926)</u>
Non-Operating Revenues (Expenses)				
Loss on Sale of Capital Asset		(6,145)	(6,145)	
Transfer In		1,500	1,500	35,000
Other Non Operating	39,493	2,000	41,493	2,562
Total Non-Operating Revenues (Expenses)	<u>39,493</u>	<u>(2,645)</u>	<u>36,848</u>	<u>37,562</u>
Change in Net Position	(27,512)	(3,456)	(30,968)	31,636
Net Position Beginning of Year	<u>1,785,818</u>	<u>4,279,448</u>	<u>6,065,266</u>	<u>21,854</u>
Net Position End of Year	<u>\$1,758,306</u>	<u>\$4,275,992</u>	<u>\$6,034,298</u>	<u>\$53,490</u>

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business Type Activities Enterprise Funds			Governmental Activities
	Auglaize Acres	Sewers	Total	Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$66,920	\$565,252	\$632,172	\$124,448
Cash Received from Interfund Services Provided				4,110,247
Cash Payments to Employees for Services	(15,875)		(15,875)	(135,421)
Cash Payments to Customers for Overpayments	(11,738)		(11,738)	
Cash Payments for Goods and Services		(428,965)	(428,965)	(4,112,356)
Net Cash Provided by (Used in) Operating Activities	39,307	136,287	175,594	(13,082)
Cash Flows from Noncapital Financing Activities				
Non Operating Revenue	39,493	2,000	41,493	2,562
Transfer In		1,500	1,500	35,000
Net Cash Provided by Noncapital Financing Activities	39,493	3,500	42,993	37,562
Cash Flows from Capital and Related Financing Activities				
Capital Asset Purchases		(25,200)	(25,200)	
Non Operating Revenue		7,822	7,822	
Construction in Progress		(32,059)	(32,059)	
Sale of Capital Assets		(6,145)	(6,145)	
Net Cash (Used in) Capital and Related Financing Activities	0	(55,582)	(55,582)	0
Net Increase in Cash and Cash Equivalents	78,800	84,205	163,005	24,480
Cash and Cash Equivalents Beginning of Year	1,285,767	1,031,582	2,317,349	31,595
Cash and Cash Equivalents End of Year	<u>\$1,364,567</u>	<u>\$1,115,787</u>	<u>\$2,480,354</u>	<u>\$56,075</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating (Loss)	(\$67,005)	(\$811)	(\$67,816)	(\$5,926)
Adjustments:				
Depreciation		133,115	133,115	
(Increase) Decrease in Assets:				
Accounts Receivable	129,328	(3,344)	125,984	
Special Assessment Receivable		(32,059)	(32,059)	
Intergovernmental Receivable				15,157
Due from Other Funds				(2,099)
Increase (Decrease) in Liabilities:				
Accounts Payable		14,625	14,625	(2,777)
Accrued Wages	(1,000)		(1,000)	(3,742)
Compensated Absences Payable				(227)
Intergovernmental Payable	(4,878)		(4,878)	(799)
Employee Withholding Payable				371
Note Payable		32,059	32,059	
Due to Clients	(17,138)	170	(16,968)	
Due to Other Funds		(7,468)	(7,468)	(13,040)
Net Cash Provided by (Used in) Operating Activities	<u>\$39,307</u>	<u>\$136,287</u>	<u>\$175,594</u>	<u>(\$13,082)</u>

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020**

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,118,852
Cash and Cash Equivalents in Segregated Accounts	637,296
Receivables:	
Property Taxes	63,173,076
Special Assessments	1,059,934
Due from Other Governments	<u>2,692,611</u>
 Total Assets	 <u>69,681,769</u>
Liabilities	
Accounts Payable	8,662
Accrued Wages	30,254
Due to Other Governments	4,899,976
Employee Withholding Payable	10,790
Undistributed Assets	637,296
Due to Other Funds	<u>815</u>
 Total Liabilities	 <u>5,587,793</u>
Deferred Inflows of Resources	
Property Taxes	62,973,755
Delinquent Property Taxes	<u>199,321</u>
 Total Deferred Inflows of Resources	 <u>63,173,076</u>
Net Position	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$920,900</u></u>

See accompanying notes to the basic financial statements.

**AUGLAIZE COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Additions	
Intergovernmental	\$10,897,228
Amounts Received as Fiscal Agent	3,141,302
Licenses, Permits and Fees for Other Governments	895,453
Property Tax Collections for Other Governments	47,362,539
Other	<u>5,799</u>
Total Additions	<u>62,302,321</u>
Deductions	
Distributions to the State of Ohio	254,824
Distributions of State Funds to Other Governments	10,897,228
Distributions as Fiscal Agent	2,703,197
Licenses, Permits and Fees Distributions to Other Governments	640,629
Property Tax Distributions to Other Governments	47,291,412
Distributions to Individuals	71,126
Other	<u>5,799</u>
Total Deductions	<u>61,864,215</u>
Change in Net Position	438,106
Net Position Beginning of Year	<u>482,794</u>
Net Position End of Year	<u><u>\$920,900</u></u>

See accompanying notes to the basic financial statements.

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**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. DESCRIPTION OF THE ENTITY

Auglaize County, Ohio (The County) was formed by an act of the Legislature on February 14, 1848. 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, a Common Pleas Court Judge, a Probate/Juvenile and Domestic Relations Court Judge, and a Municipal County Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

A. Reporting Entity

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", as amended by GASB Statement No. 61. "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." The basic financial statements include all funds, agencies, boards, commissions, and other component units for which Auglaize County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Certain funds are legally separate from the County, however, their activity is so intertwined with that of the County that they are reported as part of the County. The following funds have been included or blended into the County's basic financial statements:

Auglaize County Children's Services Board (CSB)

The County Commissioners approve the budget for the CSB and are substantially involved in its operation. The operations of the CSB are accounted for as a separate special revenue fund.

The Auglaize County Board of Developmental Disabilities

The Board is appointed by the Probate Judge and the County Commissioners. The Commissioners serve as the appropriating authority for the Board and are "accountable" for its activities. The operations of ACDD are accounted for as a separate special revenue (major) fund.

B. Discretely Presented Component Unit

Auglaize County Airport Authority

The Commissioners are substantially involved in the operations of the Airport Authority. The operations of the Airport Authority are accounted for using proprietary fund accounting. The Airport Authority meets the requirements and qualifies as a component unit of the County; however, it has not been presented in the financial statements or note disclosure as it is considered immaterial. Complete financial statements may be obtained from the Auglaize County Airport Authority, 07776 St. Rt. 219, New Knoxville, OH 45871.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. DESCRIPTION OF THE ENTITY (Continued)

C. Potential Component Units Reported As Custodial Funds

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not accountable as defined in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, accordingly, the activity of the following districts and agencies are included in the financial statements as custodial funds:

- Auglaize County General Health District
- Auglaize County Soil and Water Conservation District
- Auglaize County Regional Planning Commission
- Auglaize County Family and Children First Council
- Heritage Trails Park District

D. Excluded Potential Component Units

The County is not accountable, as defined in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, for the following entities and is not involved with their activities in any substantial capacity; accordingly their activities have been excluded from the County's basic financial statements.

- Auglaize County Public District Library
- Auglaize County Agricultural Society
- Auglaize County Cooperative Extension Services
- Auglaize County Historical Society
- Auglaize County Council on Aging
- Auglaize County Child Abuse and Neglect Advisory Board
- Auglaize County Humane Society

The County is associated with the following risk pools, jointly governed organizations and joint ventures which are described in Notes 19 through 21.

- Midwest Pool Risk Management Agency, Inc.
- Midwest Employee Benefit Consortium
- County Commissioner Association of Ohio Workers' Compensation Group Rating Plan
- Auglaize County Regional Planning Commission
- Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer and Van Wert Counties
- West Central Ohio Network
- Auglaize and Mercer Counties Convention and Visitors' Bureau
- Volunteer Peace Officers Dependents Fund Board
- Grand Lake St Marys Restoration Community Improvement Corporation
- Grand Lake St. Marys Lake Facilities Authority
- Grand Lake Task Force
- Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and practices of Auglaize County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The more significant of the County's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

1. Government-wide Statements

The statement of net position and the statement of activities display information about the government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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 the different business-type activities of the County and for each function for the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

All remaining governmental and proprietary funds are aggregated and reported as non-major funds. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Governmental Funds

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

The following are the County's major governmental funds:

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 County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gasoline Tax (MVGTT) Fund - The Motor Vehicle and Gasoline Tax fund accounts for gasoline tax and license revenue used for road and bridge maintenance in the County.

Auglaize County Development Disabilities (ACDD) Fund - The Auglaize County Developmental Disabilities Fund accounts for a County-wide property tax levy and state grants and reimbursements used to provide comprehensive education and rehabilitation programs and services to developmentally disabled individuals residing in the county.

b. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are used to account for the County's ongoing activities which are financed and operated in a manner similar to the private sector.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user fees or charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control or accountability. The County's enterprise funds consisted of Auglaize Acres, which accounted for activity pertaining to the County nursing home (which was sold December 26, 2018), and the Sewers Funds, which accounts for sewer revenue fees used for sewer maintenance in the County. Auglaize Acres, despite being sold in 2018, is reported as a separate major fund in the 2020 financial statements due to the residual financial activity that occurred throughout 2020 related to the uncollected revenues that existed for the County at the date of the sale.

Internal Service Funds - These funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The County's internal service funds account for monies received from the activities of the insurance programs for employee health, vision, drug card benefits and flexible spending; and for various rotary services such as police protection, gasoline and salt.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. 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.

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

B. Measurement Focus and Basis of Accounting

1. Government-Wide Financial Statements

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

2. 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, deferred outflows and current liabilities, deferred outflows are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (e.g., revenues and other financing sources) and uses (e.g., 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 reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of these funds are included on the statement of fund net position.

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

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

1. 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 County, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, casino revenue, grants, entitlements and donations. On an accrual basis, revenue from sales taxes and casino revenue are recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, interest, casino revenue, federal and state grants and subsidies, state levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Deferred Inflows of Resources and Deferred Outflows 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. For the County, deferred outflows of resources are reported on the government-wide statement of net position for pension and other post-employment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 13 and 14.

In addition to liabilities, the statements of financial position report 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 until that time. For the County deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 delinquent property taxes, intergovernmental grants, charges for services, special assessments and accrued interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 13 and 14)

3. 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.

4. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to 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.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

All funds, except 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 a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by County Commissioners. The legal level of control has been established by the County Commissioners at the personal services and other expense classification levels within each department for the General Fund and for all other funds.

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled, except for cash held by a trustee or fiscal agent and in segregated accounts. Monies for all funds, including proprietary funds are included in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is reported as "Equity in Pooled Cash and Cash Equivalents." Cash and cash equivalents that are held separately within departments of the County, or in outside accounts in the name of various elected officials or departments are reported as "Cash and Cash Equivalents in Segregated Accounts." Cash held by the West Central Ohio Network (WestCon) on behalf of the County is reported as "Cash and Cash Equivalents with Fiscal Agent".

During 2020, investments were limited to money market funds, US Agency notes and bonds and STAR Ohio. Except for money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at acquisition value which is based on quoted market prices. Money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, "Certain External Investment Pools and Pool Participants". The County measures the investment in Star Ohio at the net asset value (NAV) per share provided by Star Ohio.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value. For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption rates. 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 \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the County is required to credit all investment earnings to the General Fund, unless otherwise expressly required by law to allocate to other funds. Interest is distributed to the General Fund, the Motor Vehicle Gasoline Tax Fund, St. Marys River Project Special Revenue Fund, the HAVA Cyber Security Special Revenue Fund, the Local Coronavirus Relief Fund, the County's Coronavirus Relief Distribution Fund, the Board of Election's Cares Act Grant, the Auglaize School Workshop Bond Retirement Fund, and the Auglaize School Group Home Special Revenue Fund. Total investment revenue earned during 2020 was \$355,593. The General Fund was credited \$312,715 and of this amount \$235,649 was assigned from other funds. Adjusting entries resulted in the General fund reporting \$348,816 of interest revenue on the GAAP basis.

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

F. Inventory of Supplies

Inventories are stated at lower of cost or market value on a first-in, first-out basis. The costs of inventory items are expensed when consumed or used.

G. Prepays

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. Using these criteria, the County has elected not to record child support arrearages or various court receivables within the special revenue and 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.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inter-fund Receivables and Payables

On the fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as “internal balances”.

J. Capital Assets and Depreciation

The capital asset values were initially determined at December 31, 1990, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost. The cost of interest on debt issued for construction in progress is not capitalized. The County maintains a capitalization threshold of five thousand dollars.

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 on the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

Infrastructure assets are reported as part of Capital Assets Being Depreciated in the governmental activities column. Infrastructure reported in the governmental activities column consists of County bridges and roads. In addition, expenditures made by the County to preserve existing bridges and roads are expensed rather than capitalized. Only expenditures for additions or improvements are capitalized.

Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. All reported capital assets are depreciated except for land, some land improvements and construction in progress.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Sewer and Water Treatment Plants and Lines	50 years
Buildings and Improvements	10-30 years
Bridges	40 years
Roads	15 years
Cruisers	2 years
Furniture and Fixtures	10-20 years
Machinery and Equipment	7-15 years
Licensed Vehicles (except Cruisers)	6 years
Software	3 years

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. 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 a liability using the termination payment method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on length of service and department policy. The entire compensated absence liability is reported on the government-wide financial statements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in 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, claims, judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. .

M. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for specific county operations and federal and state grants restricted to expenditure for specified purposes.

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.

N. Capital Contributions

Capital contributions arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction or transfers of capital assets between governmental and business type activities. These assets are recorded at their acquisition value on the date contributed. Contributed resources are reported as capital contributions within the financial statements pursuant to GASB 33 "*Accounting and Reporting for Non-exchange Transactions*".

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Non-spendable – The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash. It also includes the long-term portion of inter-fund receivable.

Restricted – The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributions, or law or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate, payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed – The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. The committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for county home room and board, sewer services, as well as charges for internal service fund activities. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

Q. Inter-fund 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 other non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

R. Use of Estimates

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

3. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 88, "Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements". GASB Statement No. 88 improves the information that is disclosed in the notes to the 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. These changes were incorporated in the County's 2020 financial statements; however, there was no effect on beginning net position/fund balance.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

4. ACCOUNTABILITY AND COMPLIANCE

The following funds had deficit fund balances as of December 31, 2020:

Special Revenue Funds:	Deficit Fund Balance
WIOA	\$16,094
Airport Cares Grant	29,157

The deficits in the Special Revenue Funds are caused by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances, however, this is done as cash is needed rather than as accruals occur.

5. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual are presented in the basic financial statements for the General Fund and Major Special Revenue Funds.

The major differences for those funds between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget) rather than as assigned, committed, or restricted for governmental fund types (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

	Net Change in Fund Balance		
	General and Major Special Revenue Funds		
	General	Motor Vehicle and Gasoline Tax	Auglaize County Development Disabilities
Budget Basis	\$2,857,182	(\$23,160)	\$448,688
Net Adjustments:			
Revenue accruals	238,159	(77,470)	1,260,560
Expense accruals	619,252	433,042	(807,945)
Other financing sources	(7,000)	0	0
Other financing uses	(225,737)	0	0
Encumbrances	(79,589)	(103,186)	(10,932)
GAAP Basis	\$3,402,267	\$229,226	\$890,371

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal or interest by the United States; or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit, or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities described in division (1) or (2) or cash or both cash and securities, equal value for equal value;
9. High grade commercial paper and bankers acceptances in an amount not to exceed up to twenty five percent of the County's total portfolio and corporate notes not to exceed up to fifteen percent of the County's total average portfolio.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days, commercial paper within 270 days, and corporate notes within two years after purchase.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. DEPOSITS AND INVESTMENTS (Continued)

All investments must mature within five years from the date of settlement unless matched to a specific obligation or debt and the investment advisory committee specifically approves it. Investments must be purchased with the expectation that they 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.

Cash On Hand - At December 31, 2020, cash on hand amounted to \$465,970.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the County's deposits was \$24,407,190. Of the County's bank balance of \$25,474,475, \$17,321,318 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of all securities to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

B. Investments

As of December 31, 2020, the County had the following investments with the listed maturity periods:

	Total	Less Than Six Months	Six Months to One Year	One to Five Years
Money Market Fund	\$2,878,702	\$2,878,702		
STAR Ohio	1,008,124	1,008,124		
Federal Home Loan Mortgage Corporation:				
Medium Term Notes	5,995,903			\$5,995,903
Federal Farm Credit Bank Bonds	750,750			750,750
Federal National Mortgage Association Notes	2,000,080			2,000,080
Federal Home Loan Bank Bonds	1,000,260			1,000,260
	\$13,633,819	\$3,886,826		\$9,746,993

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. DEPOSITS AND INVESTMENTS (Continued)

The County's investment policy does not address any restriction on investments relating to interest rate (the risk that changes in interest rates will adversely affect the fair value of an investment), or custodial credit risks (the risk that in the event of failure of the counterparty, the County will not be able to recover the value of its investments or securities that are in the possession of an outside party). The federal agency securities are subject to custodial risk since they are uninsured, unregistered, and held by the counterparty's trust department or agent and not in the County's name.

The investment policy restricts the Treasurer from investing in anything other than as identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the County. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date. All of the County's investments carry a rating of Aaa by Moody's.

The County diversifies its investments by security, type, and the institution. The County addresses concentration of credit risk by requiring that with the exception of direct obligations of the U. S. Treasury, no more than 50 percent of the County's total investment portfolio will be invested in a single security type or with a single financial institution.

The following table indicates the percentage of each investment to the total portfolio:

	Carrying Value	Percentage Of Portfolio
Money Market Fund	\$2,878,702	21.11%
Star Ohio	1,008,124	7.39%
Federal Home Loan Mortgage Corporation:		
Medium Term Notes	5,995,903	43.98%
Federal Farm Credit Bank Bonds	750,750	5.51%
Federal National Mortgage Association Notes	2,000,080	14.67%
Federal Home Loan Bank Bonds	1,000,260	7.34%
	\$13,633,819	100.00%

Beginning in 2016, Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," was effective. Accordingly, the County has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2020. All of the County's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

7. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and public utility tangible personal property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Tax Commissioner at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation update was completed for tax year 2021 (calendar year 2020). Real property taxes are payable annually or semiannually. The first payment is due February 15, with the remainder payable by July 15.

Property tax revenues received in 2020 represents the collection of 2019 taxes for real and public utility property taxes. Real and public utility real and tangible personal property taxes received in 2020 became a lien on December 31, 2019, were levied after October 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value. Public utility real 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.

Certain public utility tangible personal property currently is assessed at one hundred percent of its true value. 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 within the County, and the County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, is accounted for through custodial funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2020. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2020 operations.

The full tax rate for all County operations for the year ended December 31, 2020, was \$9.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

Real Property:	
Agricultural/Residential	\$915,748,110
Commercial/Industrial/Mineral	161,522,020
Public Utility Real	511,670
Tangible Personal Property:	
Public Utility	<u>37,508,290</u>
Total Assessed Value	<u><u>\$1,115,290,090</u></u>

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

8. PERMISSIVE SALES AND USE TAX

The County Commissioners by resolution imposed a one and one half percent tax on all retail sales, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State then has five days in which to draw the warrant payable to the County.

Proceeds of the permissive sales tax are to be credited to the General Fund with the exception of monthly amounts to be credited to the Permanent Improvement Fund. Effective May 1, 2020 the monthly distribution to the Permanent Improvement Fund decreased from \$210,600 to \$58,000 per month. The sales tax revenue for 2020 amounted to \$9,468,554 in the General Fund due to GAAP journal entries, and \$1,340,436 was credited to the Permanent Improvement Fund. The use tax amounted to \$569,206 and was credited to the Motor Vehicle and Gasoline Tax Fund.

A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2020. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is deferred.

9. INTERFUND TRANSACTIONS

As of December 31, 2020, inter-fund receivables and payables that resulted from various inter-fund transactions were as follows:

Interfund Payable	General	MVGT	ACDD	Other Govtl	Internal Service	Total
General		\$1,552			\$5,315	\$6,867
MVGT					5,999	5,999
Other Governmental Sewers	\$636,611 17,695	1,808	\$19,399	\$234,283	3,594	895,695 17,695
Internal Service Custodial	717	8		125,921 27	63	125,921 815
Interfund Receivable	\$655,023	\$3,368	\$19,399	\$360,231	\$14,971	\$1,052,992

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

9. INTERFUND TRANSACTIONS (continued)

Operating Transfers	Transfer In	Transfer Out
General		\$308,538
MVGT		20,300
ACDD		100,000
Sewers	\$1,500	
Internal Service	35,000	
Other Governmental Funds:		
CDBG Allocation	125,000	
ACDD Capital Projects	100,000	
Children Services	273,538	
Local Emergency Planning		8,400
Homeland Security and Emergency Mgt	8,400	
Ditch Debt	20,300	678
Revolving Loan		125,000
Ditch Construction		38,487
Ditch Maintenance	37,665	
Total Other Governmental Funds	564,903	172,565
	\$601,403	\$601,403

The General Fund transferred \$48,703 to the Salary Reserve Fund which was subsequently rolled into the General Fund on the financial statements.

10. RECEIVABLES

Receivables at December 31, 2020 consist of taxes, accounts (billings for user charged services), special assessments, notes, interest, due from other funds, and due from other government receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. A summary of the principal items of due from other government receivables follows:

General Fund	Amount
Public Defender Reimbursement	\$271,933
VOCA Reimbursement	5,736
Board of Elections State Reimbursement	365
Acting Judge Reimbursement	318
Casino Revenue	272,341
Local Government	233,854
Bureau of Workers Compensation	2,842
Sewer Fees	1,719
Homestead and Rollback	215,047
Total General Fund	1,004,155
MVGT Fund	
Motor Vehicle License Tax	909,900
Permissive Motor Vehicle License Tax	281,731
Gasoline Tax	1,600,980
Fuel Maintenance	275
Total MVGT Fund	2,792,886

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

DD Fund	
Homestead and Rollback	330,504
Title XX	4,743
Title XIX	38,499
Total DD Fund	<u>373,746</u>
Other Governmental Funds	
Indigent Drivers Alcohol Monitoring	34
Job and Family Services Grant	198,255
GLTF Federal Grant	2,194
DMR Family and Children First Council	29,009
New Hampshire Grant	1,428
Motor Vehicle Permissive Tax	75,805
Community Housing Impact and Preservation Program	10,623
Children's Services	70,206
JRIG Grant	50,000
DARE Grant	9,761
Airport Obstruction Removal Grant	33,706
Airport Cares Grant	29,157
PSI Writer Grant	14,132
Child Support Enforcement Agency Grant	60,274
Total Other Governmental Funds	<u>584,584</u>
Total Governmental Funds Due From Other Governments	<u>\$4,755,371</u>
Internal Service	
Other Political Subdivisions	\$125,921
Council on Aging	2,113
Total Internal Service Funds Due From Other Governments	<u>128,034</u>
 Total Due From Other Governments	 <u><u>\$4,883,405</u></u>

A summary of the principal items of accounts receivables follows:

General Fund	Amount
Fees	\$996
Charges for Services	358
Total General Fund	<u>1,354</u>
MVGT Fund	
Engineer Fees	<u>24,569</u>
Other Governmental Funds	
Fees	1,931
Generation Fee	73,611
Recycle Sales	39,963
CAUV Fees	650
Charges for Services	2,241
Inmate Telephone	1,283
Total Other Governmental Funds	<u>119,679</u>
Total Governmental Funds Accounts Receivable	<u>145,602</u>
Auglaize Acres	
Auglaize Acres – Room and Board	<u>399,631</u>
Sewer Funds	
South Grand Lake Sewer Charges	33,088
Villa Nova Sewer Charges	1,912
Sharlon Sewer Charges	2,041
Beverly Hills Sewer Charges	5,063

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Sherwood Forest Sewer Charges	3,918
Pleasantview Sewer Charges	4,825
KZ Sewer Charges	2,670
Arrowhead Estates Sewer Charges	2,964
Uniopolis Sewer Charges	9,584
Country Club Hill Estates	1,820
Forest Lane Sewer Charges	3,308
Sandy Beach Sewer Charges	12,415
Total Sewer Funds	83,608
Total Enterprise Funds	483,239
Total Accounts Receivable	\$628,841

A summary of the principal items of notes receivables follows:

Other Governmental Funds	
Thermal Maintenance	\$45,035

11. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities	Balance January 1	Additions	Reductions	Balance December 31
Non Depreciable Assets:				
Land	\$2,061,550	\$347,661	(\$26,910)	\$2,382,301
Construction in Progress	3,312,408	307,328	(3,304,008)	315,728
Total Non Depreciable	5,373,958	654,989	(3,330,918)	2,698,029
Depreciable Assets:				
Land Improvements	5,101,208	86,315		5,187,523
Buildings & Improvements	27,512,673	4,760,978		32,273,651
Infrastructure	51,598,282	3,331,765	(1,462,489)	53,467,558
Equipment, Furniture, Fixtures	16,042,739	1,457,214	(1,058,669)	16,441,284
Total Depreciable	100,254,902	9,636,272	(2,521,158)	107,370,016
Accumulated Depreciation:				
Land Improvements	4,513,221	107,617		4,620,838
Buildings & Improvements	15,353,419	972,525		16,325,944
Infrastructure	28,803,600	2,031,449	(1,460,622)	29,374,427
Equipment, Furniture, Fixtures	11,787,281	1,116,193	(947,812)	11,955,662
Total Accumulated Depreciation	60,457,521	4,227,784	(2,408,434)	62,276,871
Net Depreciable Assets	39,797,381	5,408,488	(112,724)	45,093,145
Total Governmental Activities Capital Assets (Net)	\$45,171,339	\$6,063,477	(\$3,443,642)	\$47,791,174

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

11. CAPITAL ASSETS (continued)

Business-Type Activities	Balance January 1	Additions	Reductions	Balance December 31
Non Depreciable Assets:				
Land	\$108,508		(\$7,822)	\$100,686
Construction in Progress	89,012	\$53,830	(21,771)	121,071
Total Non Depreciable Assets	197,520	53,830	(29,593)	221,757
Depreciable Assets:				
Buildings & Improvements	71,100			71,100
Sewer – Infrastructure	6,666,433			6,666,433
Equip, Furn & Fixtures	42,295	25,200		67,495
Total Depreciable	6,779,828	25,200		6,805,028
Accumulated Depreciation:				
Buildings & Improvements	14,221	2,370		16,591
Sewer – Infrastructure	3,747,391	126,669		3,874,060
Equip, Furn & Fixtures	1,138	4,076		5,214
Total Accum Depr	3,762,750	133,115		3,895,865
Net Depreciable Assets	3,017,078	(107,915)		2,909,163
Business Type Activities				
Capital Assets (Net)	\$3,214,598	(\$54,085)	(\$29,593)	\$3,130,920

Depreciation expense was charged to governmental programs as follows:

General Government - Legislative and Executive	\$ 1,378,747
General Government - Judicial	17,772
Public Safety	138,713
Public Works	2,467,412
Health	179,017
Human Services	46,123
Total Depreciation Expense	\$ 4,227,784

12. RISK MANAGEMENT

A. Transference of Risk: Property, Crime and Liability

The County is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The County participates in the Midwest Pool Risk Management Agency, Inc. (MPRMA) (the Pool) which is a public entity risk pool, (see Note 19) for general liability, automobile liability, public officials' liability and property and crime insurance.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

12. RISK MANAGEMENT (Continued)

Coverage provided by the pool is as follows:

Property	
Maximum per occurrence	\$85,271,400
Subject to following sublimits	
Flood*	36,000,000
Earthquake*	36,000,000
Demolition and Increased Cost of Construction	1,000,000
Extra Expense	275,000
Computer Equipment & Media	1,000,000
Computer Extra Expense	100,000
Property in Transit	20,000
Valuable Papers	100,000
Account Receivable	100,000
Mobile Equipment	4,527,000
Fine Arts	10,000
Automatic Builders' Risk	1,000,000
Automatic Newly-Acquired Property	1,000,000
Crime	
Employee Dishonesty and Faithful Performance	500,000
Money and Securities (Inside and Outside)	500,000
Forgery and Alteration	500,000
Boiler and Machinery	100,000,000
Liability	
Maximum per occurrence	7,000,000
Subject to following sub-limits	
General, Law, Auto	7,000,000
Employee Benefits*	7,000,000
Ohio Stop Gap	7,000,000
Public Official Errors & Omissions*	7,000,000
Sexual Harassment*	1,000,000
Pollution Liability	1,000,000

Limits include the pool self-insured retentions.

*Limit is annual aggregate

Each member pays the first \$500 (deductible) of any physical damage to County automobiles, and crime loss involving county property. The pool pays (self-insured retention) for the next:

Crime, Pollution	\$25,000	per occurrence
Property, Auto, Physical Damage	100,000	per occurrence
Liability	100,000	per occurrence
Combined loss maximum	100,000	per occurrence

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

12. RISK MANAGEMENT (Continued)

The Pool purchases excess commercial insurance to pay for claims in excess of the above member deductibles and pool self-insurance retentions. This insurance provides the following insurance limits:

Property and Auto Physical Damage	\$85,721,400
Crime	500,000
Liability	7,000,000
Pollution Liability	1,000,000

The amount of any claim or loss in excess of these amounts would be the responsibility of the County that incurred the claim or loss.

Member contributions to the Pool are adjusted annually and are calculated to annually produce a sufficient sum of money to pay Pool expenses including estimated Pool self-insured losses and claims adjustment expense.

Under the terms of Pool membership, should the annual member contributions not be sufficient to fully fund Pool expenses including ultimate losses, the Board of Trustees can require supplementary contributions. Supplementary contributions, if required, would be based on the Members' pre-determined percentage share of Pool costs for that year. Supplementary contributions can be accessed during the entire life of the Association and any later period when claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred.

Provisions for claim reserves and loss adjustment expenses are based on information reported by members and are calculated by the Pool's claim administrator and independent actuary. These amounts represent an estimate of reported, unpaid claims, plus provisions for claims incurred and not reported. The Pool's management believes that the estimate of the liability for claim reserves is reasonable in the circumstances; however, actual incurred losses and loss adjustment expenses may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement of losses and related loss adjustment expenses may vary from the estimated amount included in the accompanying financial statements. Should the provision for claims reserves not be sufficient, supplemental contributions, as discussed above, will be assessed.

To lower costs to pool members, MPRMA joined with other Ohio public entities to form a new excess pool called the Public Entity Risk Consortium (PERC). The PERC pool provides self-insured retentions for each of the member pools as follows: Property – up to \$250,000 per occurrence, Liability – up to \$500,000 per occurrence and annual Stop Loss for the period of 12/1/19 through 11/30/20 up to \$1,575,000 maximum. As of November 30, 2020 PERC has cash reserves of \$10,192,369 which, in the opinion of an outside actuary and management, is adequate for any claims currently pending against the pool.

Settled claims have not exceeded commercial coverage in any of the last three years. There has been no significant change in this coverage from the prior year.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

12. RISK MANAGEMENT (Continued)

B. Transference of Risk: Employee Health Insurance

The County is part of the Midwest Employee Benefit Consortium (MEBC) (the Consortium) for its employee health insurance, and retains no risk for this plan (see Note 19). Member contributions are calculated to annually produce a sufficient sum of money within the self-insurance pool adequate to fund administrative expenses of the Association and to create adequate reserves for claims and unallocated loss adjustment expenses. Under the terms of membership, should annual member contributions not be sufficient to fund ultimate losses, establish adequate reserves and cover administrative expenses, the Board of Trustees can require supplementary contributions. Supplementary contributions can be assessed during the entire life of the Association and any later period when claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred.

Provisions for claims reserves and loss adjustment expenses are based on information reported by members and are calculated by the Consortium's claims administrator. These amounts represent an estimate of reported, unpaid claims, plus a provision for claims incurred and not reported. The Consortium's management believes that the estimate of liability for claim reserves is reasonable in the circumstances; however, actual incurred losses and loss adjustment expenses may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement of losses and related loss adjustment expenses may vary from the estimated amounts included in the accompanying financial statements. Should the provision for claims reserves not be sufficient, supplemental contributions, as discussed above, will be assessed.

C. Transference of Risk: Workers Compensation Insurance

For 2020, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Plan (the Plan), an insurance purchasing pool (See Note 19). The plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plans' selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

12. RISK MANAGEMENT (Continued)

D. Retention of Risk: Flexible Spending, Health Savings Account, Employee Drug Card and Reimbursed Health Claims

In addition to the basic Health Care Benefit Plan, the County has established a "Flexible Spending Account" and/or a "Health Savings Account" to supplement the services provided under the Basic Health Care Benefit Plan and the County self-funds an employee health care/prescription drug card administered through Northwest Group Services.

1. Each year the County deposits into the "flexible spending account" or the "health savings account" the amount of \$150 for a single coverage plan and \$300 for a family coverage plan. These funds may be used, as the employee determines, to cover health care expenses which are not covered under the County's basic health care program or to provide additional coverage for items which are part of the County's basic health care coverage. This flexible spending account plan is administered by Northwest Group Services Administrators. The Health Savings Accounts are administered by First Financial Bank.
2. The County's Basic Health Care Program has an agreement with Medtrak Rx to provide prescription drugs to the County's Basic Health Care Plan members. Under this program, the employee pays full price for each prescription filled until their deductible is met, and then there is a pro-rated fee.
3. The County reimburses Medicare for any past payments for services to Auglaize County employees that should have been covered by the Auglaize County Group Health plan but were originally paid by Medicare.

13. DEFINED BENEFIT PENSION PLANS

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

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

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

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

13. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

A. Plan Description – Ohio Public Employees Retirement Systems (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 that has elements of both a defined benefit and defined contribution plan. While members (e.g. County employees) may elect the member-directed and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional plan.

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

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

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

13. DEFINED BENEFIT PENSION PLANS (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years After January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire Ten years after January 7, 2013	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	Age and Service Requirements: Age 60 with 60 months of service credit	Age and Service Requirements: Age 57 with 25 yrs of service credit
Or Age 55 with 25 yrs of service credit	or Age 55 with 25 yrs of service credit	or Age 62 with 5 yrs service credit
Formula: 2.2% of FAS multiplied by yrs of service for the first 30 yrs & 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by yrs of service for the first 30 yrs & 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by yrs of service for the first 35 yrs & 2.5% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 yrs of service credit	Age and Service Requirements: Age 48 with 25 yrs of service credit or Age 56 with 15 yrs service credit
Formula: 2.5% of FAS multiplied by yrs of service for the first 25 yrs & 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by yrs of service for the first 25 yrs & 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by yrs of service for the first 25 yrs & 2.1% for service years in excess of 25

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local	Law Enforcement
2020 Statutory Maximum Contribution Rates		
Employer	14.0%	18.1%
Employee	10.0%	*
2020 Actual Contribution Rates		

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Employer:		
Pension	14.0%	18.1%
Post-employment Health Care Benefits	0.0%	0.0%
	14.0%	18.1%
Employee	10.0%	13.0%

* Rate is determined by OPERS Board and is limited by ORC to not more than 2 percent greater than the public safety rate, which is set by OPERS board, but has no maximum rate established by ORC.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$2,141,414 for 2020. Of this amount, \$196,099 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 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 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:

	Traditional Plan
Proportionate Share of the Net Pension Liability	\$19,638,585
Proportion of the Net Pension Liability	.099357%
Pension Expense	\$1,029,279

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities
Deferred Outflows of Resources	
Change in Assumptions	\$1,048,930
Difference between actual & prop share County contributions subsequent to the measurement date	64,356
	2,141,414
Total Deferred Outflows of Resources	\$3,254,700
Deferred Inflows of Resources	
Differences between expected and actual experience	\$248,302
Difference between projected and actual investment earnings	3,917,456
Change in Proportion and Difference in Contributions	2,026,172
Total Deferred Inflows of Resources	\$6,191,930

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

13. DEFINED BENEFIT PENSION PLANS (Continued)

\$2,141,414 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	Governmental Activities
2021	(\$1,696,559)
2022	(1,988,818)
2023	162,221
2024	(1,555,488)
Total	(\$5,078,644)

C. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2019, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in valuation of total pension liability are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent simple through 2020, then 2.15 percent
Investment Rate of Return	7.2 percent
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 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 the above described tables.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

13. DEFINED BENEFIT PENSION PLANS (Continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefits 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, 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 17.2% for 2019.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimate of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimated are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.83%
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equity	21.00	7.66
Other investments	13.00	4.98
Total	100.00%	5.61%

D. Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

13. DEFINED BENEFIT PENSION PLANS (Continued)

E. Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability or asset calculated using the discount rate assumption of 7.2 percent, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the Net pension liability – Traditional	\$32,390,382	\$19,638,585	\$8,175,094

14. DEFINED BENEFIT OPEB PLANS

The net OPEB liability reported on the statement of net position represents a liability 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 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 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 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. Resulting adjustments to the net OPEB liability 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* 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.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. DEFINED BENEFIT OPEB PLANS (Continued)

A. Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0.0 percent during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2020 it will stay the same 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

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

B. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. 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:

	OPERS
Proportionate Share of the Net OPEB Liability	\$13,490,902
Proportion of the Net OPEB Liability	.097671%
OPEB Expense	\$558,625

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. DEFINED BENEFIT OPEB PLANS (Continued)

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	\$362
Differences between projected and actual investment earnings	
Changes of assumptions	2,135,466
Changes in proportion and differences between County contributions and proportionate share of contributions	107,368
Total Deferred Outflows of Resources	\$2,243,196
Deferred Inflows of Resources	
Differences between expected and actual experience	\$1,233,805
Net difference between projected and actual earnings on OPEB plan investments	686,953
Changes in proportion and differences between County contributions and proportionate share of contribution	1,059,834
Total Deferred Inflows of Resources	\$2,980,592

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

Year Ending December 31:	Governmental Activities
2021	(\$185,803)
2022	(272,605)
2023	547
2024	(279,535)
Total	(\$737,396)

C. Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. DEFINED BENEFIT OPEB PLANS (Continued)

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including wage inflation	3.25 to 10.75 percent at 3.25%
Single Discount Rate	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	3.50 percent
	10.5 percent, initial
Actuarial Cost Method	Individual entry age normal

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.

During 2019, 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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 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.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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14. DEFINED BENEFIT OPEB PLANS (Continued)

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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. The best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	<u>14.00</u>	<u>4.90</u>
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

D. 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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	<u>1% Decrease (2.16%)</u>	<u>Current Discount Rate (3.16%)</u>	<u>1% Increase (4.16%)</u>
County's proportionate share of the net OPEB liability	\$17,655,010	\$13,490,902	\$10,156,807

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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14. DEFINED BENEFIT OPEB PLANS (Continued)

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$13,092,798	\$13,490,902	\$13,883,933

15. COMPENSATED ABSENCES

Vacation is earned at rates which vary depending upon length of service and standard work week. The county currently has different policies regarding vacation leave. All of the policies allow the County employees to be paid for all earned, unused vacation leave at the time of termination of employment with more than one year of service with the County.

Employees earn sick leave at varying rates based on whether the employee is union or non-union. Upon retirement, employees with ten or more years of service are paid one-fourth of accumulated sick leave up to a maximum of 240 hours. Employees with 25 or more years of service with the county are paid one-half of accumulated sick leave up to a maximum of 480 hours.

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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16. LEASES – LESSEE DISCLOSURE

The County has entered into a lease for office space. The lease entered into does not meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The schedule for future minimum long-term operating lease payments as of December 31, 2020 is as follows:

<u>Year</u>	<u>Special Revenue Fund</u>
2021	10
Total	\$10

17. DEBT OBLIGATIONS

The County's long-term obligations (all direct borrowings) at year-end consist of the following:

Governmental Activities	Original Issue	Balance 12/31/19	Additions	Reductions	Balance 12/31/20	Due Within One Year
Ohio Public Works Loan						
Sandy Beach Storm Sewer	102,289	\$20,459		(\$5,114)	\$15,345	\$5,114
Noble Township Bridge	176,000	127,600		(8,800)	118,800	8,800
Glywood Brdg-Noble Twp	230,000	207,000		(11,500)	195,500	11,500
Northtown Ditch	89,379	84,910		(4,469)	80,441	4,469
Total Ohio Public Works Loans		439,969		(29,883)	410,086	29,883
Special Assessment Notes:						
Mackenbach Ditch-3.57%	13,555	4,227		(1,698)	2,529	1,696
Adams Ditch-3.10%	71,615	34,423		(8,952)	25,471	8,952
Doorley #2 Ditch-3.09%	8,172	5,619		(1,022)	4,597	1,021
Headapohl Ditch-2.49%	33,577	6,271		(4,202)	2,069	2,069
Highlawn Ditch-3.13%	10,554	1,968		(1,318)	650	650
Gibson Ditch-3.24%	37,188	13,944		(4,647)	9,297	4,649
Kruse Ditch-3.39%	20,093	8,789		(2,510)	6,279	2,512
Rogers #2 Ditch-3.45%	31,284	29,329		(3,910)	25,419	3,910
Doenges #2 Ditch-2.54%	120,692	84,485		(12,070)	72,415	12,069
Harruff Ditch-3.55%	21,949	1,369		(1,369)	0	
Paul Jt Co Ditch-3.39%	45,180	42,356		(5,647)	36,709	5,647
Dearbaugh-2.95%	10,708		10,708	(1,338)	9,370	2,677
Culliton Ditch-2.65%	165,693	93,202		(20,712)	72,490	20,712
Shindollar-2.5%	14,483		14,483	(1,810)	12,673	3,621
Evans #2 Ditch-3.15%	27,039	5,069		(3,379)	1,690	1,690
Koch Ditch-3.15%	16,571	1,806		(1,806)	0	
Gross Joint-1.73%	39,653		39,653		39,653	7,931
Lowry Ditch-3.39%	17,884	1,119		(1,119)	0	
Clause #2 Ditch-3.12%	168,876	46,094		(21,129)	24,965	21,130
Ritter #2 Ditch-2.74%	26,486	19,864		(3,310)	16,554	3,311
Blasé #2 Ditch-3.15%	57,479	46,702		(7,185)	39,517	7,185
Accuntius Joint-1.98%	202,716		202,716		202,716	20,272
Ellerman Jt Ditch-3.24%	45,815	22,907		(5,726)	17,181	5,727
Huebner Ditch-3.12%	131,257	22,930		(16,423)	6,507	6,507
Meier Ditch-2.65%	21,912	12,326		(2,739)	9,587	2,739
Wheeler Ditch-3.39%	21,483	6,715		(2,687)	4,028	2,685
Gutman #3 Ditch-3.31%	9,324	2,334		(1,169)	1,165	1,165
Dearbaugh Ditch-3.39%	21,498	8,063		(2,689)	5,374	2,688
Klosterman Ditch-3.06%	45,527	11,381		(5,690)	5,691	5,691

**AUGLAIZE COUNTY
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Fisher #2 Ditch-3.69%	5,576	4,529	(698)	3,831	698
Rapp #3-3.49%	17,727	6,647	(2,216)	4,431	2,216
Pleasantview-3.39%	15,296	12,428	(1,912)	10,516	1,912
Total Special Assessment Notes	556,896	267,560	(151,082)	673,374	163,731
Total Other Long Term Obligations					
Compensated Absences	1,878,714	1,095,269	(939,088)	2,034,895	1,050,727
Net Pension Liability	31,423,864		(11,785,279)	19,638,585	
Net OPEB Liability	14,962,647		(1,471,745)	13,490,902	
Total Governmental Activities	\$49,262,090	\$1,362,829	(\$14,377,077)	\$36,247,842	\$1,244,341

Business Type Activities	Balance 12/31/19	Additions	Reductions	Balance 12/31/20	Due Within One Year
Ohio Public Works Loan					
KZ/Sharlon Sewers	\$26,552	\$32,059		\$58,611	

The Ohio Public Works Loans (direct borrowings) are either supported by the full faith and credit of the County, or by special assessment assessments. All outstanding special assessment notes (direct borrowings) consist of ditch projects which are payable from the proceeds of tax assessments levied against benefited individual property owners.

The County obtained a loan from the Ohio Public Works Commission in the amount of \$102,289 for a term of twenty years for the purpose of assisting in the cost of the Sandy Beach sewer installation project. The infrastructure from this project is not owned by the County. The County obtained a loan from the Ohio Public Works Commission in the amount of \$176,000 for a term of twenty years for the purpose of assisting in the cost of rehabilitating 2 county bridges. The infrastructure from this project is owned by the County. The OPWC loan for the Northtown Ditch, \$89,379, was obtained for the Village Waynesfield, who owns the infrastructure. The loan is for 20 years at 0% interest, the collection of special assessments against benefited property owners will pay for this loan. The County obtained a \$230,000 OPWC loan for the rehabilitation of the Glynwood Road Bridge in Noble Township, county owned infrastructure. It is a 20 year loan at 0% interest being repaid by the MVGT fund. The OPWC loan for the KZ and Sharlon Sewer Plants \$58,611, county owned infrastructure, is a 20 year loan at 0% interest and will be repaid using special assessments against property owners in the sewer districts. This loan was not fully disbursed at December 31, 2020 and has not been included in the below amortization schedules.

All special assessment notes (direct borrowings) had been issued for the terms allowed by law. These notes are to be repaid through assessments against benefited property owners. Proceeds from the notes were used for ditch construction and improvement. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet the annual principal and interest payments.

Compensated absences liability will be paid from the fund from which the employees' salaries are paid.

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

17. DEBT OBLIGATIONS (Continued)

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 should not 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 should not 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 effects of the debt limitations described above at December 31, 2020 are an overall debt margin of \$26,386,160 and an un-voted debt margin of \$11,156,809.

The following is a summary of the County's future annual debt service requirements, including interest, for long-term obligations from Direct Borrowings:

Year	Special Assessment Notes	OPWC Promissory Loans	Total Debt Obligations
2021	\$180,481	\$29,883	\$210,364
2022	138,526	29,883	168,409
2023	117,021	29,883	146,904
2024	84,824	24,769	109,593
2025	67,609	24,769	92,378
2026-2030	138,983	123,845	262,828
2031-2035		110,645	110,645
2036-2040		36,409	36,409
Total	727,444	410,086	1,137,530
Less:			
Interest	(54,070)		(54,070)
Outstanding Principal	\$673,374	\$410,086	\$1,083,460

The County has also received two loan agreements from the Ohio Water and Sewer Rotary Commission (direct borrowings) in regard to the construction of two sewer districts. These loans provide funding assistance for that portion of the project for which collections of assessments from certain owners of undeveloped property located within an agricultural district are exempted pursuant to Ohio Rev. Code Section 929.03 subject to the performance of certain terms and conditions of repayment.

As part of the agreement, the change of the use of any parcel, pursuant to Ohio Admin. Code Section 1525-1-06, would require repayment to the Ohio Water and Sewer Rotary Commission for the full amount of the assessment for the portion of the property for which the use has changed pursuant to Division C of Ohio Rev. Code Section 929.03. Therefore, until a change in use occurs, no liability has been recorded for these loans.

The 12/31/19 outstanding balance for the Southeast Sewer District reflects a \$624 payment received in 2004 that was not included on the 12/31/04 note. A summary of the loan transactions for the year ended December 31, 2020 is as follows:

Project Loans:	Outstanding 12/31/19	Additions	Reductions	Outstanding 12/31/20
Southeast Sewer District	\$ 1,195,743	\$ 0	(\$)	\$ 1,195,743
Sandy Beach Sewer District	209,786	0	0	209,786
Total	\$ 1,405,529	\$ 0	(\$)	\$ 1,405,529

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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18. FUND BALANCES

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

Fund Balances	General	MVGT	ACDD	Other Governmental Funds	Total Governmental Funds
NonSpendable					
Inventory	\$71,771	\$547,514	\$2,456	\$13,844	\$635,585
Prepays	267,408	26,883	4,360	81,536	380,187
Notes Receivable				45,035	45,035
Interfund Receivable	649,666			125,921	775,587
Restricted for					
Debt Service				3,908	3,908
Capital Outlay				105,488	105,488
MVGT		1,695,667			1,695,667
ACDD			9,495,288		9,495,288
Other Purpose				6,450,027	6,450,027
Committed to					
SWM				323,486	323,486
Capital Outlay				2,507,223	2,507,223
Other Purpose				298,613	298,613
Assigned					
	4,634,663				4,634,663
Unassigned					
	8,799,111			(45,251)	8,753,860
Total Fund Balances	\$14,422,619	\$2,270,064	\$9,502,104	\$9,909,830	\$36,104,617

19. PUBLIC ENTITY RISK POOLS

A. Midwest Pool Risk Management Agency, Inc.

Midwest Pool Risk Management Agency, Inc. is an Ohio not-for-profit corporation organized under Chapter 2744.081 of the Ohio Revised Code for the purpose of enabling its member political subdivisions to obtain insurance coverage, provide methods for paying claims and provide a formalized jointly administered self-insurance pool.

Specifically, the pool provides coverage for automobile liability, general liability, crime and property (including automobile physical damage) and public officials' liability (See Note 12). In addition to the self-insurance pool, the Association provides risk management services, loss prevention programs, and various other educational materials. The Association includes the following member counties within the State of Ohio: Auglaize, Hancock, Mercer, Shelby, and Van Wert.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

19. PUBLIC ENTITY RISK POOLS (Continued)

Member and supplemental contributions are recognized on an accrual basis and are recorded as revenue in the month earned. For the current agreement dated August 1, 2006, the percentage of contributions by the members and their equity interests are:

<u>County</u>	<u>%</u>	<u>Fixed Costs</u>	<u>Loss Fund</u>
Auglaize	22.31	239,492	52,515
Hancock	21.46	230,368	119,340
Mercer	21.01	225,537	96,120
Shelby	25.02	268,583	132,570
Van Wert	10.20	109,494	49,445

The financial statements of Midwest Risk Pool Management Agency, Inc. can be obtained from David Bambauer, Auglaize County Commissioner and Treasurer of the Midwest Pool Risk Management Agency.

B. Midwest Employee Benefit Consortium

Midwest Employee Benefit Consortium (MEBC) is an Ohio not-for-profit corporation organized under Ohio Rev. Code Sections 304.171 and 9.833 for the public purpose of enabling its five members political subdivisions to obtain insurance coverage, provide methods for paying claims, and provide a formalized jointly administered self-insurance pool. Specifically, this pool provides coverage for health benefits to employees of its members.

In addition to the self-insurance pool, the Consortium provides risk management services and established loss reduction and prevention procedures and programs.

The members of the Association include the following counties within the State of Ohio: Auglaize, Hancock, Mercer, Van Wert, and Shelby. The financial statements of Midwest Employee Benefit Consortium can be obtained from the Auglaize County Board of Commissioners.

C. County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers.

The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

20. JOINTLY GOVERNED ORGANIZATIONS

A. Auglaize County Regional Planning Commission

The Auglaize Regional Planning Commission (the Commission) is a jointly governed organization between the County, the Municipalities, and the Townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty seven members, any of which may hold any other public office.

The County is represented by three members, each of the two Cities within the county is represented by two members, all participating villages within the county are represented by one member each, and participating townships within the county are represented by one member each.

Other members include: a representative from all participating board of trustees; the mayor or a council member of each participating incorporated village; two representatives from each of the Cities of Wapakoneta and St. Marys, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission shall be representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representations as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. Each participating government may be required to contribute up to .10 cents per capita, according to the latest federal census, in any calendar year in which revenue is needed.

The Commission has no outstanding debt as of December 31, 2020. The following unaudited cash financial data of the Commission is presented for the year ended December 31, 2020:

	Joint Venture	Auglaize County's 50 Percent
Total Operating Revenues	\$28	\$14
Total Operating Expenses	(1,186)	(593)
Net Income (Loss)	(1,158)	(579)
Fund Balance, January 1, 2020	3,870	1,935
Fund Balance, December 31, 2020	\$2,712	\$1,356

B. Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer and Van Wert Counties

The Workforce Innovation and Opportunity Act (WIOA) is designed to identify and address complex workforce development issues which transcend local governmental jurisdictional boundaries. By operating as a consortium, the member counties can better coordinate and oversee the WIOA funding and sustain the One Stop system efforts required by WIOA. The CEO's are responsible for providing consultation with the Governor on local area designation, serving as (or designating an appropriate agency to serve as) the grant recipient and fiscal agent for the WIOA funds, with liability for the misuse of these funds, and, appointing the members of the Area 8 Workforce Development Board from those nominated by the appropriate nominating agencies.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The Boards of County Commissioners of Auglaize, Hardin, Van Wert and Mercer Counties are the parties to operate within WIOA as a consortium. Each Board of Commissioners shall designate one Commissioner to serve as their representative for the region. The representatives of each

Board shall meet as needed with the Workforce Development Board to approve and take other action as needed for the proper implementation and oversight of WIOA and the Area 8 workforce development system.

The Federal WIA program is administered through the Ohio Department of Job and Family Services and operates on a state fiscal year from July 1 to June 30. Effective July 1, 2002, Auglaize County participated in a multi-county WDA with Hardin and Mercer Counties, with Mercer as the fiscal agent.

C. West Central Ohio Network

The West Central Ohio Network (West CON) is a regional council of governments. West CON is comprised of the boards of Developmental Disabilities (DD) of several counties - Auglaize, Champaign, Darke, Hardin, Logan, Mercer, Miami, Preble, Sandusky, Shelby, Union, and Wyandot. The Board of Directors is made up of the Superintendents from each of these DD Boards, and the degree of control exercised by any participating government is limited to its representation on the Board. West CON is the administrator and fiscal agent of Supported Living funds for each of these Boards of Developmental Disabilities. The following unaudited financial data of the West Central Ohio Network - Auglaize County is presented on a cash basis for the year ended December 31, 2020.

	County Portion
Total Operating Revenue	\$1,313,738
Total Operating Expenses	(814,294)
Net Income (Loss)	499,444
Fund Balance, January 1, 2020	1,997,494
Fund Balance, December 31, 2020	\$2,496,938

Financial information can also be obtained from the West Central Ohio Network, 1200 Childrens Home Road, Sidney, Ohio 45365.

D. Auglaize and Mercer Counties Convention and Visitors Bureau

The Auglaize and Mercer Counties Convention and Visitors Bureau (the Bureau) is a jointly governed organization between Auglaize and Mercer Counties for the purpose of promoting tourism and attracting tourists and conventions to the two counties. Membership is open to any person, firm, partnership, association, corporation, foundation, trust or estate subscribing to the purpose of this organization. The government of the Bureau, the general policies and control of its property is vested in a Board of Trustees. The Board shall be nineteen members composed of the following: seven appointees from Auglaize County, seven from Mercer County, one Auglaize County Commissioner or designee, one Mercer County Commissioner or designee, three members representing the following: Celina/Mercer County Chamber of Commerce, St. Marys Area Chamber of Commerce and the Wapakoneta Area Chamber of Commerce.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

20. JOINTLY GOVERNED ORGANIZATIONS (Continued)

The Board conducts business and sponsors projects to further the purpose of the Bureau. The Bureau is funded primarily from a 3 percent (effective 7/1/96) lodging tax imposed by both counties. Payment is due to the county by the last day of the following month. The 2020 revenue received by the Bureau was \$160,026. Of this amount \$157,999 came from the lodging tax. \$104,467 of the total 2020 revenue was from Auglaize County. Financial information can be obtained from 900 Edgewater Drive, St Marys Ohio 45885.

E. Volunteer Peace Officers Dependents Fund Board

The Volunteer Peace Officers Dependents Fund (the Fund) was established to assist dependents of volunteer peace officers killed in the line of duty and to assist volunteer peace officers that become totally and permanently disabled as a result of a line of duty injury and is contained in Ohio Revised Code Chapter 143.

Each political subdivision with a police or sheriff's department that employs volunteer peace officers will be made a member of the Fund and each Fund member must establish a "Volunteer Peace Officers Dependents Fund Board" to administer claims for the benefits from the Fund. ORC 143.01 (C) defines "volunteer peace officer" as "any person who is employed as a police officer, sheriff's deputy, constable, or deputy marshal in a part-time, reserve, or volunteer capacity and is not a member of the public employees' retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or the Cincinnati retirement system".

The Volunteer Peace Officers Dependents Fund Board must have the following members: two members elected by the Commissioners, two members elected by the volunteer peace officers of the Sheriff's department and one member elected by the other four members (cannot be a public employee, member of the legislative authority or peace officer for that department: must be a citizen registered to vote in that area). One of the five elected board members must be identified as a chairperson and another as the secretary by the members of the board.

F. Grand Lake St. Marys Restoration Community Improvement Corporation

The Auglaize County Commissioners and the Mercer County Commissioners joined together to form the Grand Lake St. Marys Restoration Community Improvement Corporation. The mission of this corporation is to support the advancement, encouragement and promotion of the industrial, economic, commercial and civic development of Grand Lake St. Marys and the surrounding area. It will aid in the research and development of technologies and provide funding opportunities to enhance the quality of water in Grand Lake St. Marys.

G. Grand Lake St. Marys Lake Facilities Authority

The Auglaize County Commissioners and the Mercer County Commissioners joined together to form the Grand Lake St. Marys Lake Facilities Authority. Their desire is to enhance, promote, improve, remediate foster, aid and rehabilitate the area. Grand Lake St. Marys is a man-made lake of at least one-half square mile that has experienced levels of microcystin toxins in excess of eighty parts-per-billion, as measured by the Ohio Environmental Protection Agency in the 24 months preceding March 11, 2014. The Mercer County Auditor shall be the Fiscal Officer and the Mercer County Prosecutor shall be the Legal Advisor to the Grand Lake St. Marys Lake Facilities Authority.

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

21. JOINT VENTURES

A. Grand Lake Task Force

Auglaize and Mercer Counties share territory of the Grand Lake State Park which encounters unique enforcement problems. The Grand Lake Task Force was established in regards to federal financial assistance received from the Department of Justice which requires a twenty-five percent local matching share. Additional revenues were received through asset seizures, fines, and village law enforcement agency contributions.

The objective of the Grand Lake Task Force is to increase the number of criminal justice agencies working cooperatively to eliminate specifically targeted major narcotics trafficking conspiracies and the persons involved through investigations, arrests, prosecution, and convictions. Those participating in the project are Auglaize and Mercer County Sheriff's offices, Wapakoneta, St. Marys, Celina, Coldwater, Minster, and New Bremen Police offices, United States Investigative Agency Alcohol, Tobacco, and Firearms, Ohio Bureau of Criminal Investigation and Identification, and Auglaize and Mercer County Prosecutor's Offices.

The Auglaize County Sheriff serves as the applicant who accepts the responsibility for the project's administrative and financial matters. The project requires a control group to be established of four members; one from a police department, one from a Sheriff's office, one from a prosecutor's office, and the Task Force Supervisor. This group allocates what funds are to be used for which investigations and to manage these resources and jointly manage project investigations.

The following unaudited financial data of the Grand Lake Task Force is presented on a cash basis for the year ended December 31, 2020:

	Joint Venture	Auglaize County's 12.5 Percent
Total Operating Revenues	\$205,280	\$25,660
Total Operating Expenses	(176,840)	(22,105)
Net Income (Loss)	28,440	3,555
Fund Balance, January 1, 2020	169,667	21,209
Fund Balance, December 31, 2020	\$198,107	\$24,764

B. Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties

The Mental Health and Recovery Services Board (MHRS) of Allen, Auglaize, and Hardin Counties, is a tri-county non-profit corporation whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The Board of Trustees consists of sixteen members. Board members are appointed by the Board's Director and the legislative authorities of the political subdivisions making up the Board. The Board includes members from those legislative authorities as well as citizens of the Board. Those subdivisions are Allen, Auglaize and Hardin Counties, Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services. The degree of control exercised by any participating government is limited to its representation on the Board. The MHRS Board is a joint venture since continued participation by the Counties is necessary for the continued existence.

AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

21. JOINT VENTURES (Continued)

Allen County acts as the fiscal agent for the MHRS Board. The Board receives tax revenue from the three Counties and receives federal and state funding through grant monies which are applied for and received by the board of trustees. The MHRS Board is accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on members in the future. The Board has sole budgetary authority and controls surpluses and deficits and the county is not legally or morally obligated for the Board's debt.

During 2020, tax revenues generated by the levy in Auglaize County were \$1,334,900. Complete financial statements can be obtained from the MHRS Board, Allen County, Ohio.

22. SIGNIFICANT CONTRACTUAL OBLIGATIONS

At December 31, 2020, the County had entered into several contracts, the most significant of which include the following:

Contractor	Amount
Lebanon Ford	\$30,036
Southeastern Equipment Co Inc	69,896
Spring Creek Building Supply	11,002
Shelly Company	64,301
Marsh Foundation School	32,891
Adriel School Inc	15,023
	<u>\$223,149</u>

23. TAX ABATEMENT DISCLOSURES

The County is subject to tax abatements granted by (1) a Community Reinvestment Area-Tax Exemption Program created by the City of St. Marys, the Village of New Bremen and the Village of New Knoxville and (2) a Tax Incentive Review Council created by the City of St Marys and the Village of New Bremen.

The Community Reinvestment Area-Tax Exemption Program allows taxes to be abated on a new or improvements to, a tax payer's home. The terms range from five to fifteen years, with a seventy five to one hundred percent tax abatement.

The Tax Incentive Review Council allows taxes to be abated for the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone and the Enterprise Area to create new jobs.

The County's portion of the gross amount of taxes abated during 2020 was \$176,339.

24. CONTINGENT LIABILITIES

A. Grants

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

**AUGLAIZE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

24. CONTINGENT LIABILITIES (Continued)

B. Litigation

The County is involved in no litigation as either plaintiff or defendant which they believe would result in a liability having to be booked on the County's financial statements.

25. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 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. 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.

**AUGLAIZE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PLAN
LAST SEVEN YEARS (1)**

	2019	2018	2017	2016	2015	2014	2013
County's Proportion of the Net Pension Liability	0.099357%	0.114736%	0.113544%	0.113331%	0.113433%	0.117617%	0.117617%
County's Proportionate Share of the Net Pension Liability	\$19,638,585	\$31,423,864	\$17,812,852	\$25,735,543	\$19,648,026	\$14,185,924	\$13,865,512
County's Covered-Employee Payroll	\$13,487,144	\$16,334,707	\$15,695,018	\$15,471,295	\$15,015,490	\$15,058,436	\$14,842,211
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	145.61%	192.37%	113.49%	166.34%	130.85%	94.21%	93.42%
Plan fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available

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

**AUGLAIZE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PLAN
LAST EIGHT YEARS (1)**

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$2,141,414	\$2,076,268	\$2,265,786	\$1,896,828	\$1,815,091	\$2,035,961	\$1,973,118	\$2,067,911
Contributions in Relation to the Contractually Required Contribution	(\$2,141,414)	(\$2,076,268)	(\$2,265,786)	(\$1,896,828)	(\$1,815,091)	(\$2,035,961)	(\$1,973,118)	(\$2,067,911)
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County Covered-Employee Payroll	\$14,700,591	\$13,487,144	\$16,334,707	\$15,695,018	\$15,471,295	\$15,015,490	\$15,058,436	\$14,842,211
Contributions as a Percentage of Covered-Employee Payroll	14.57%	15.39%	13.87%	12.09%	11.73%	13.56%	13.10%	13.93%

(1) Information prior to 2013 is not available

AUGLAIZE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - OPEB PLAN
LAST FOUR YEARS (1)

	2019	2018	2017	2016
County's Proportion of the Net OPEB Liability	0.097671%	0.114765%	0.111860%	0.111860%
County's Proportionate Share of the Net OPEB Liability	\$13,490,902	\$14,962,647	\$12,147,172	\$11,298,240
County's Covered-Employee Payroll	\$13,487,144	\$16,334,707	\$15,695,018	\$15,471,295
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	100.03%	91.60%	77.40%	73.03%
Plan fiduciary Net OPEB as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	

(1) Information prior to 2016 is not available

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

**AUGLAIZE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - OPEB PLAN
LAST FIVE YEARS (1)**

	2020	2019	2018	2017	2016
Contractually Required Contribution	\$0	\$0	\$0	\$156,880	\$309,315
Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	(\$156,880)	(\$309,315)
	\$0	\$0	\$0	\$0	\$0
County Covered-Employee Payroll (2)	\$14,700,591	\$13,487,144	\$16,334,707	\$15,695,018	\$15,471,295
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	1.00%	2.00%

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not present

(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

AUGLAIZE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass Through Grantor Program / Cluster Title	Pass Through Entity Number or Grant	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Ohio Department of Development Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-19-1AF-1 B-C-18-1AF-1	14.228	\$ 158,075 22,451
Total U.S. Department of Housing and Urban Development			<u>180,526</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Ohio Department of Job and Family Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-2021-11-5331	10.561	137,552
Total U.S. Department of Agriculture			<u>137,552</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through Ohio Department of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	2018-DL-LEF-5804 2019-DL-LEF-5804	16.738	45,016 41,019
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>86,035</u>
Crime Victim Assistance	2020-VOCA-132920448 2021-VOCA-134018610	16.575	41,381 6,477
Total Crime Victim Assistance			<u>47,858</u>
Total U.S. Department of Justice			<u>133,893</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Airport Improvement Program COVID-19 Airport Improvement Program		20.106	133,385 39,543
Total Airport Improvement Program			<u>172,928</u>
Passed through Ohio Department Transportation Highway Planning and Construction Cluster Highway Planning and Construction	PID 108424	20.205	11,475
Passed through Ohio Department of Public Safety Minimum Penalties for Repeat Offenders for Driving While Intoxicated	69A37519300001640OHA	20.608	10,147
Highway Safety Cluster State and Community Highway Safety	69A37519300004020OHO	20.600	4,462
Total U.S. Department of Transportation			<u>199,012</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Ohio Department of Public Safety Emergency Management Performance Grants	EMC-2019-EP-00005	97.042	39,820
Total U.S. Department of Homeland Security			<u>39,820</u>
U.S. ELECTION ASSISTANCE COMMISSION			
Passed through Ohio Secretary of State 2018 HAVA Election Security Grants COVID-19 2018 HAVA Election Security Grants		90.404	26,229 37,832
Total U.S. Election Assistance Commission			<u>64,061</u>
U.S. DEPARTMENT OF EDUCATION			
Passed through Ohio Department of Developmental Disabilities Special Education-Grants for Infants and Families	H-18-1A19-0024 H-18-1A18-0024	84.181	38,467 35,729
Total U.S. Department of Education			<u>74,196</u>

AUGLAIZE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass Through Grantor Program / Cluster Title	Pass Through Entity Number or Grant	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Ohio Department of Job and Family Services MaryLee Allen Promoting Safe and Stable Families Program	G-2021-11-5331	93.556	30,113
Chafee Foster Care Independence Program	G-2021-11-5331	93.674	4,990
Temporary Assistance for Needy Families	G-2021-11-5331 G-1819-11-5713	93.558	748,658 16,924
Total Temporary Assistance for Needy Families			<u>765,582</u>
Child Support Enforcement	G-2021-11-5331 G-1819-11-5713	93.563	438,104 220
Total Child Support Enforcement			<u>438,324</u>
CCDF Cluster			
Child Care and Development Block Grant	G-2021-11-5331	93.575	26,494
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-5331	93.645	52,903
Foster Care Title IV-E	G-2021-11-5331	93.658	250,523
Adoption Assistance	G-2021-11-5331	93.659	38,611
Medicaid Cluster			
Medical Assistance Program	G-2021-11-5331	93.778	333,951
Passed through Ohio Department of Developmental Disabilities	2005-OH-5ADM 2105-OH-5ADM		127,812 39,213
Total Medicaid Cluster			<u>500,976</u>
Passed through Ohio Department of Job and Family Services Children's Health Insurance Program COVID-19 Children's Health Insurance Program	G-2021-11-5331 G-2021-11-5331	93.767	228,331 2,010
Total Children's Health Insurance Program			<u>230,341</u>
Passed through Ohio Department of Developmental Disabilities Social Services Block Grant	200I-OH-S0SR	93.667	55,357
Passed through Ohio Department of Job and Family Services	G-2021-11-5331		200,247
Total Social Services Block Grant			<u>255,604</u>
Total U.S. Department of Health and Human Services			<u>2,594,461</u>
U.S. DEPARTMENT OF LABOR			
Passed through Ohio Department of Job and Family Services Workforce Innovation and Opportunity Act (WIOA) Cluster WIA Adult Program	G-2021-15-0027 G-1819-15-0181	17.258	29,759 52,688
Total WIA Adult Program			<u>82,447</u>
WIA Youth Activities	G-1819-15-0181 G-2021-15-0027	17.259	34,297 639
Total WIA Youth Activities			<u>34,936</u>
WIA Dislocated Worker Formula Grants	G-2021-15-0027 G-1819-15-0181	17.278	19,271 52,363
Total WIA Dislocated Worker Formula Grants			<u>71,634</u>
Total WIOA Cluster and U.S. Department of Labor			<u>189,017</u>
U.S. DEPARTMENT OF THE TREASURY			
Passed through the Supreme Court of Ohio COVID-19 Coronavirus Relief Fund	HB481-CRF-Local	21.019	38,288
Passed through the Ohio Office of Budget & Management COVID-19 Coronavirus Relief Fund			2,740,164
Total COVID-19 Coronavirus Relief Fund and U.S. Department of Treasury			<u>2,778,452</u>
Total Expenditures of Federal Awards			<u><u>6,390,990</u></u>

See accompanying notes to the schedule of expenditures of federal awards

AUGLAIZE COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Auglaize County (the County) under programs of the federal government for the year ended December 31, 2020. 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 2 – 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 3 – 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 4 - 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 local program income account as of December 31, 2020 is \$222,618.

NOTE 5 - MATCHING REQUIREMENTS

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

NOTE 6 - TRANSFERS BETWEEN FEDERAL PROGRAMS

During 2020, the County made allowable transfers of \$145,274 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 \$765,582 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 2020 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$910,856
Transfer to Social Services Block Grant	<u>(145,274)</u>
Total Temporary Assistance for Needy Families	<u>\$765,582</u>

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OHIO AUDITOR OF STATE KEITH FABER



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130 West Second Street, Suite 2040
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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

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Auglaize County, Ohio (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 4, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures 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) as a basis for designing 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 financial statements. 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

November 4, 2021

OHIO AUDITOR OF STATE KEITH FABER



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

Auglaize County
209 South Blackhoof Street
Wapakoneta, Ohio 45895

To the Board of County Commissioners:

Report on Compliance for each Major Federal Program

We have audited Auglaize County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Auglaize County's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of 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, Auglaize 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, 2020.

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

November 4, 2021

AUGLAIZE COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

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):	Covid-19 - Coronavirus Relief Fund – CFDA #21.019 Medicaid Cluster
(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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



AUGLAIZE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/7/2021

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