



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COSHOCTON COUNTY  
DECEMBER 31, 2020**

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DECEMBER 31, 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Coshocton County  
349 Main Street  
Coshocton, Ohio 43812

To the Board of County Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of Coshocton 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, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the 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, Human Services, Motor Vehicle License and Gasoline Tax, County Board of Developmental Disabilities and Emergency Ambulance Levy 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 27 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/Assets 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 (the Schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information 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 December 22, 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

December 22, 2021

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## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

The management's discussion and analysis of Coshocton County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

#### **Financial Highlights**

Key financial highlights for 2020 are as follows:

- The total net position of the County decreased \$412,403 from 2019's net position of \$11,844,601.
- General revenues accounted for \$19,502,267 or 41.06% of total governmental activities revenue. Program specific revenues accounted for \$27,994,503 or 58.94% of total governmental activities revenue.
- The County had \$47,909,173 in expenses related to governmental activities; \$27,994,503 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$19,502,267 were not adequate to provide for these programs.
- The County has five major governmental funds. The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$13,666,929 in 2020. The general fund had expenditures and other financing uses of \$12,562,454 in 2020. The general fund balance increased \$1,104,475 from the 2019 fund balance.
- The human services fund, a County major fund, had revenues and other financing sources of \$3,388,833 and expenditures of \$3,048,709 in 2020. The human services fund balance increased \$340,124 from 2019 to 2020.
- The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$6,030,172 and expenditures of \$5,580,962 in 2020. The motor vehicle license and gasoline tax fund balance increased \$449,210 from 2019 to 2020.
- The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues of \$5,368,883 and expenditures and other financing uses of \$5,578,293 in 2020. The county board of DD fund balance decreased \$209,410 from 2019 to 2020.
- The emergency ambulance levy fund, a County major fund, had revenues and other financing sources of \$3,967,744 and expenditures of \$3,402,406 in 2020. The emergency ambulance levy fund balance increased \$565,338 from 2019 to 2020.
- In the general fund, the actual revenues and other financing sources came in \$1,793,343 higher than they were originally budgeted, and actual expenditures and other financing uses were \$1,570,431 less than the amount in the original budget. The County uses a conservative budgeting process.

#### **Using the Basic Financial Statements**

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

## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are five major governmental funds: the general, human services, motor vehicle license and gasoline tax, county board of DD, and emergency ambulance levy funds.

#### **Reporting the County as a Whole**

##### *Statement of Net Position and the Statement of Activities*

The statement of net position and the statement of activities answer the question, "How did we do financially during 2020?" These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the County's governmental activities include most of the County's programs and services including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

#### **Reporting the County's Most Significant Funds**

##### *Fund Financial Statements*

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

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, human services, motor vehicle license and gasoline tax fund, the County Board of developmental disabilities (DD) fund and emergency ambulance levy fund. The analysis of the County's major governmental funds begins on page 12.

## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

#### ***Governmental Funds***

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental financial statements can be found on pages 24-35 of this report.

#### ***Proprietary Funds***

The County maintains proprietary funds. 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 a self-funded health insurance programs for employees of the County and several governmental units within the County. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 39-40 of this report.

#### ***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. These notes to the basic financial statements can be found on pages 41-100 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension and net OPEB asset/liability, along with contributions to the pension systems. The required supplementary information can be found on pages 102-117 of this report.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the County as a whole. The table below provides a summary of the County's net position at December 31, 2020 and December 31, 2019.

	<u>Governmental Activities</u>	
	Governmental Activities 2020	Governmental Activities 2019
<u>Assets</u>		
Current and other assets	\$ 38,757,926	\$ 35,912,353
Capital assets, net	<u>26,043,614</u>	<u>25,522,244</u>
Total assets	<u>64,801,540</u>	<u>61,434,597</u>
<u>Deferred Outflows</u>		
Unamortized deferred charges on debt refunding	4,079	8,529
Pension	3,869,582	9,321,002
OPEB	<u>2,517,033</u>	<u>1,178,779</u>
Total deferred outflows	<u>6,390,694</u>	<u>10,508,310</u>
<u>Liabilities</u>		
Long-term liabilities	41,463,083	47,771,142
Other liabilities	<u>2,095,922</u>	<u>1,806,839</u>
Total liabilities	<u>43,559,005</u>	<u>49,577,981</u>
<u>Deferred Inflows</u>		
Property taxes levied for the next fiscal year	9,001,845	9,193,845
Pension	4,906,105	893,634
OPEB	<u>2,293,081</u>	<u>432,846</u>
Total deferred inflows	<u>16,201,031</u>	<u>10,520,325</u>
<u>Net Position</u>		
Net investment in capital assets	24,555,109	23,696,384
Restricted	6,582,755	6,065,704
Unrestricted (deficit)	<u>(19,705,666)</u>	<u>(17,917,487)</u>
Total net position	<u>\$ 11,432,198</u>	<u>\$ 11,844,601</u>

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

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

## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$11,432,198. The County's finances remained stable during 2020.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 40.19% of total assets. Capital assets include land, construction in progress, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Capital assets, net of related debt to acquire the assets at December 31, 2020, were \$24,555,109. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net position, \$6,582,755 or 57.58% of total net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit unrestricted net position of (\$19,705,666).

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The following tables show the changes in net position for 2020 and 2019.

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 7,026,390	\$ 7,474,913
Operating grants and contributions	19,896,414	19,717,248
Capital grants and contributions	1,071,699	525,423
General revenues:		
Property taxes	9,218,122	8,153,933
Sales tax	6,094,184	5,595,185
Lodging excise taxes	64,961	63,266
Payment in lieu of taxes	2,860	3,775
Unrestricted grants	1,947,855	2,171,219
Investment earnings	571,315	572,662
Miscellaneous	<u>1,602,970</u>	<u>953,313</u>
Total revenues	<u>47,496,770</u>	<u>45,230,937</u>
<b><u>Expenses</u></b>		
General government	8,033,146	7,125,287
Public safety	8,356,983	7,662,105
Public works	8,458,914	8,440,170
Health	9,536,017	10,715,016
Economic development and assistance	551,298	-
Human services	10,604,299	10,523,064
Conservation and recreation	3,228	3,277
Intergovernmental	292,964	216,583
Other	1,997,768	2,167,050
Interest and fiscal charges	<u>74,556</u>	<u>75,409</u>
Total expenses	<u>47,909,173</u>	<u>46,927,961</u>
Change in net position	(412,403)	(1,697,024)
Net position at beginning of year	<u>11,844,601</u>	<u>13,541,625</u>
Net position at end of year	<u>\$ 11,432,198</u>	<u>\$ 11,844,601</u>

**Governmental Activities**

Governmental activities net position decreased \$412,403 or 3.48% during 2020.

Governmental activities capital grants and contributions revenue increased 103.97% from \$525,423 in 2019 to \$1,071,699 in 2020.

The State and federal government contributed to the County revenues of \$19,896,414 in the form of operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$8,210,446 or 41.27% subsidized human services. Operating grants and contributions increased 0.91% in 2020 due to an increase in funding for programs related to economic development and assistance and human services.

General revenues totaled \$19,502,267 and amounted to 41.06% of total revenues. These revenues primarily consist of property and sales tax revenue of \$15,312,306 or 78.52% of total general revenues in 2020. Property tax revenue increased \$1,064,189 from 2019 to 2020. The County sales tax revenue increased \$498,999 from 2019 to 2020. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with local government revenue and property tax reimbursement received from the State making up \$1,947,855, or 9.99% of general revenues.

**COSHOCTON COUNTY, OHIO**

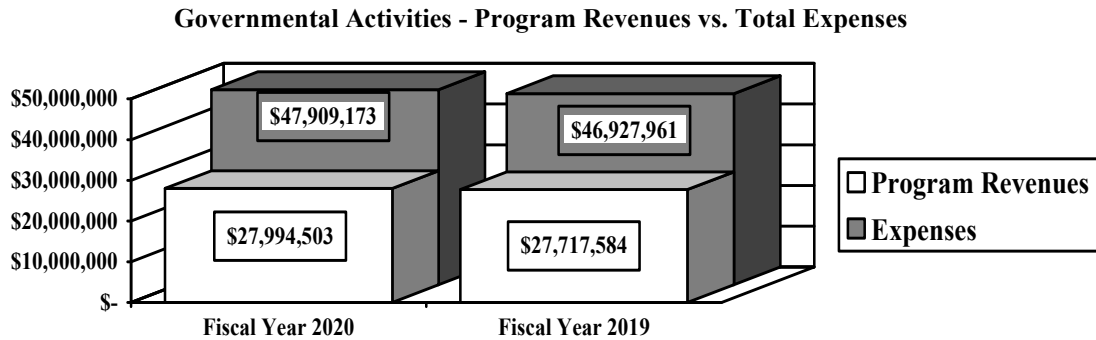
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

General government expenses include legislative and executive and judicial programs, totaled \$8,033,146 or 16.77% of total governmental expenses. General government expenses were covered by \$2,666,485 of direct charges to users in 2020.

Public works expenses primarily relate to road and bridge construction and repair projects undertaken by the County. The slight decrease in this expense versus the prior year relates primarily to a slight decrease in projects undertaken.

Human services expenses support the operations of public assistance and the children services board, and accounts for \$10,604,299 of expenses, or 22.13% of total governmental expenses of the County. These expenses were funded by \$420,910 in charges to users of services and \$8,210,446 in operating grants and contributions.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The graph below shows the County's total expenses and the portion of those expenses which are offset by specific program revenues:



The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>
<b>Expenses:</b>				
General government	\$ 8,033,146	\$ 4,563,102	\$ 7,125,287	\$ 3,701,656
Public safety	8,356,983	4,464,104	7,662,105	4,800,203
Public works	8,458,914	646,628	8,440,170	229,059
Health	9,536,017	5,942,275	10,715,016	6,643,024
Human services	10,604,299	1,972,943	10,523,064	1,541,866
Conservation and recreation	3,228	3,228	3,277	3,277
Economic development and assistance	551,298	(26,793)	-	-
Intergovernmental	292,964	292,964	216,583	216,583
Other	1,997,768	1,981,663	2,167,050	2,009,270
Interest and fiscal charges	74,556	74,556	75,409	65,439
<b>Total expenses</b>	<u>\$ 47,909,173</u>	<u>\$ 19,914,670</u>	<u>\$ 46,927,961</u>	<u>\$ 19,210,377</u>

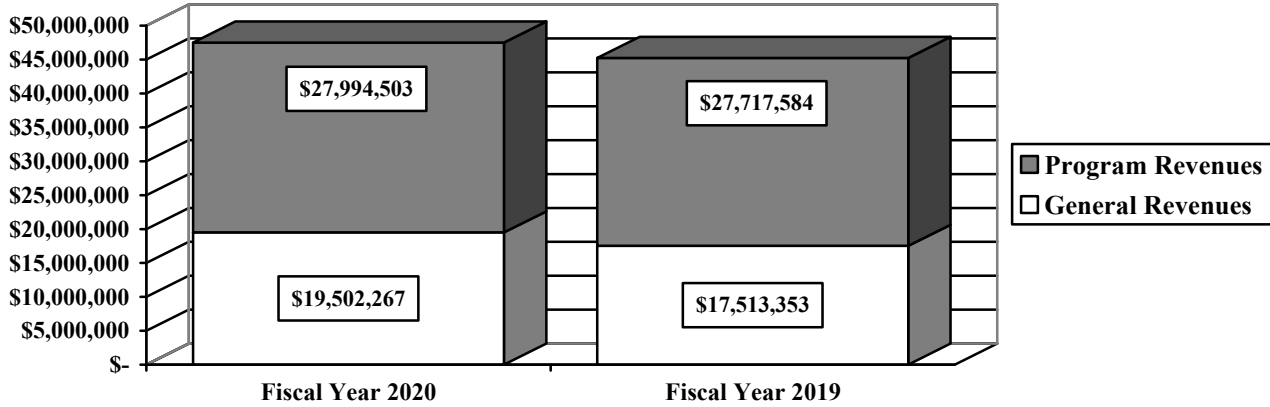
The dependence upon general revenues for governmental activities is apparent, with 41.57% and 37.32% of expenses supported through taxes and other general revenues during 2020 and 2019, respectively.

**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The graph below shows the total general revenues and program revenues of the County for 2019 and 2020.

**Governmental Activities - General and Program Revenues**



**Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

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

The County's governmental funds reported a combined fund balance of \$20,342,220, which is more than last year's balance of \$18,000,725. The County's governmental funds are presented on the balance sheet on pages 24-25. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 for all major and nonmajor governmental funds.

	(Deficit) Fund Balance <u>December 31, 2020</u>	(Deficit) Fund Balance <u>December 31, 2019</u>	Increase/ <u>(Decrease)</u>
<b>Major Funds:</b>			
General	\$ 6,075,840	\$ 4,971,365	\$ 1,104,475
Human services	36,224	(303,900)	340,124
Motor vehicle license and gasoline tax	3,267,846	2,818,636	449,210
County board of DD	4,983,800	5,193,210	(209,410)
Emergency ambulance levy	1,477,927	912,589	565,338
Other nonmajor governmental funds	<u>4,500,583</u>	<u>4,408,825</u>	<u>91,758</u>
Total	<u>\$ 20,342,220</u>	<u>\$ 18,000,725</u>	<u>\$ 2,341,495</u>



**COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**General Fund**

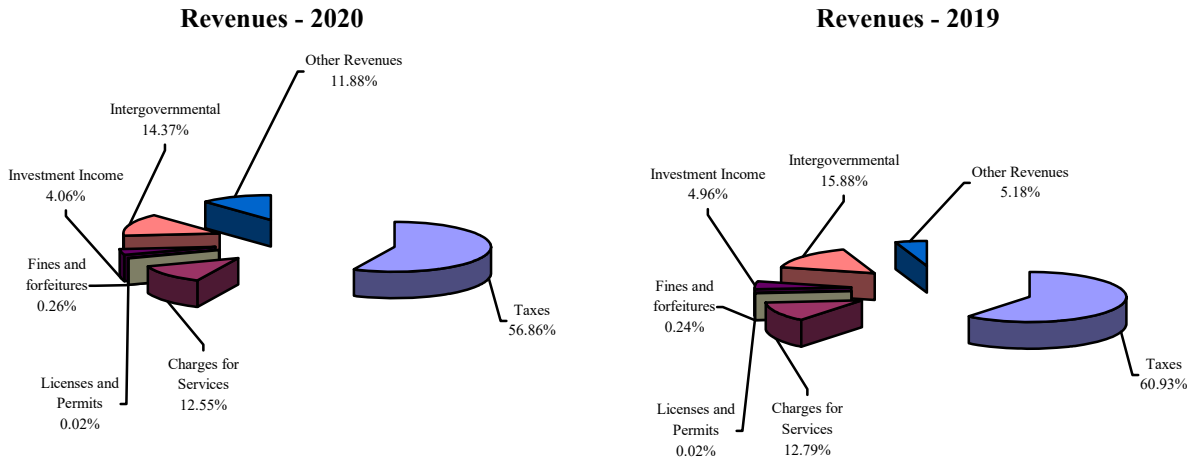
The general fund is the operating fund of the County. At the end of the year, the fund balance of the general fund was \$6,075,840, a 22.22% increase from 2019. The increase of the general fund balance in 2020 was due to the increasing revenues exceeding the expenditures.

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

<u>Revenues</u>	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Taxes	\$ 7,697,326	\$ 7,241,659	\$ 455,667	6.29 %
Charges for services	1,699,313	1,519,731	179,582	11.82 %
Licenses and permits	2,913	2,425	488	20.12 %
Fines and forfeitures	34,622	28,593	6,029	21.09 %
Intergovernmental	1,944,959	1,887,297	57,662	3.06 %
Investment income	549,961	589,773	(39,812)	(6.75) %
Other	1,608,893	615,914	992,979	161.22 %
<b>Total</b>	<b>\$ 13,537,987</b>	<b>\$ 11,885,392</b>	<b>\$ 1,652,595</b>	<b>13.90 %</b>

Tax revenue represents 56.86% of all general fund revenue. The decrease in investment income is due to a decrease in the amount of interest earned on the County's investments. The increase in intergovernmental revenues is primarily due to an increase in probation department grants and public defender reimbursements. The increase in other revenues was due mainly to an increase in revenues received for workers compensation reimbursement. All other revenue remained comparable to 2019.

The graphs below show the breakdown of revenues, by source, for 2020 and 2019.



**COSHOCTON COUNTY, OHIO**

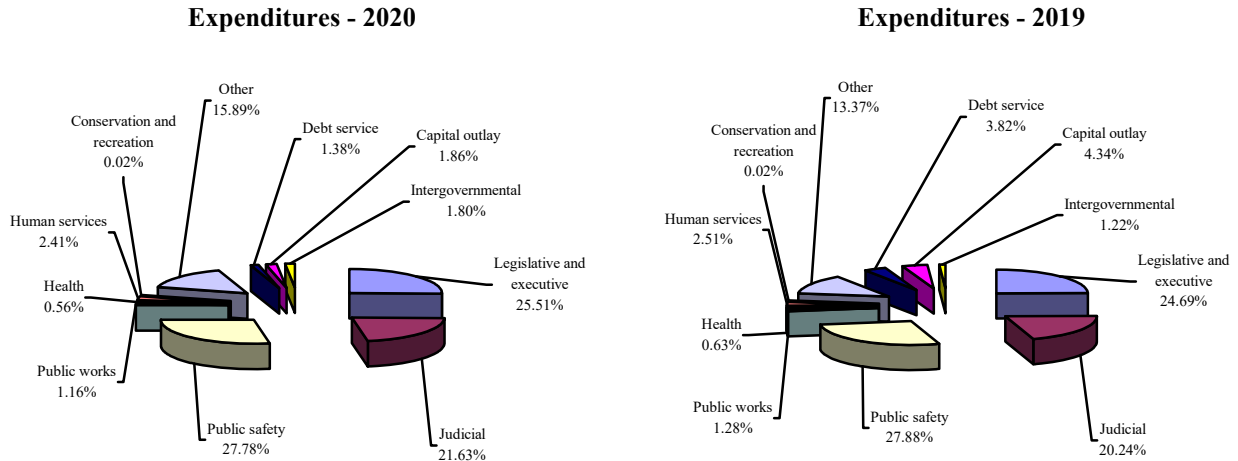
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

<u>Expenditures</u>	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General government				
Legislative and executive	\$ 3,149,322	\$ 3,104,678	\$ 44,644	1.44 %
Judicial	2,670,484	2,544,617	125,867	4.95 %
Public safety	3,428,858	3,506,170	(77,312)	(2.21) %
Public works	142,983	161,298	(18,315)	(11.35) %
Health	69,587	78,958	(9,371)	(11.87) %
Human services	297,358	315,179	(17,821)	(5.65) %
Conservation and recreation	2,100	2,149	(49)	(2.28) %
Other	1,961,230	1,682,983	278,247	16.53 %
Capital outlay	229,546	545,425	(315,879)	(57.91) %
Intergovernmental	222,800	152,800	70,000	45.81 %
Debt service	170,042	480,427	(310,385)	(64.61) %
<b>Total</b>	<b>\$ 12,344,310</b>	<b>\$ 12,574,684</b>	<b>\$ (230,374)</b>	<b>(1.83) %</b>

Expenditures related to legislative and executive expenditures increased due to an increase in costs related to prosecuting attorney and board of election expenditures. Judicial costs increased due to an increase in expenditures related to grants. During 2020, capital outlay expenditures decreased due to a decrease in project costs. Other expenditures increased due to an increase in expenditures related to insurance. Debt service expenditures decreased due to a prior year refunding. Public safety expenditures decreased due to a decrease in juvenile probation and sheriff costs. All other expenditures remained comparable to the prior year.

The graphs below show the breakdown of expenditures, by function, for 2020 and 2019.



## COSHOCTON COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

#### ***Human Services Fund***

The human services fund, a County major fund, had revenues and other financing sources of \$3,388,883 and expenditures of \$3,048,709 in 2020. The human services fund balance increased \$340,124 from 2019 to 2020.

#### ***Motor Vehicle License and Gasoline Tax Fund***

The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$6,030,172 and expenditures of \$5,580,962 in 2020. The motor vehicle license and gasoline tax fund balance increased \$449,210 from 2019 to 2020.

#### ***County Board of Developmental Disabilities (County Board of DD)***

The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues of \$5,368,883 and expenditures and other financing uses of \$5,578,293 in 2020. The county board of DD fund balance decreased \$209,410 from 2019 to 2020.

#### ***Emergency Ambulance Levy Fund***

The emergency ambulance levy fund, a County major fund, had revenues and other financing sources of \$3,967,744 and expenditures of \$3,402,406 in 2020. The emergency ambulance levy fund balance increased \$565,338 from 2019 to 2020.

#### ***Budgeting Highlights - General Fund***

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly. In the general fund, there were significant changes between the original and final budget. Final budgeted revenues and other financing sources were increased \$1,814,324 from the original budgeted revenues and other financing sources. Actual revenues and other financing sources of \$13,184,256 were \$20,981 less than final budgeted revenues and other financing sources. Final budgeted expenditures and other financing uses were increased \$41,452 from the original budgeted expenditures and other financing uses. Actual expenditures and other financing uses of \$12,831,110 were \$1,611,883 less than final budgeted expenditures and other financing uses.

#### **Capital Assets and Debt Administration**

##### ***Capital Assets***

At the end of 2020, the County had \$26,043,614 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, machinery and equipment, vehicles, infrastructure and software.

**COSHOCTON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

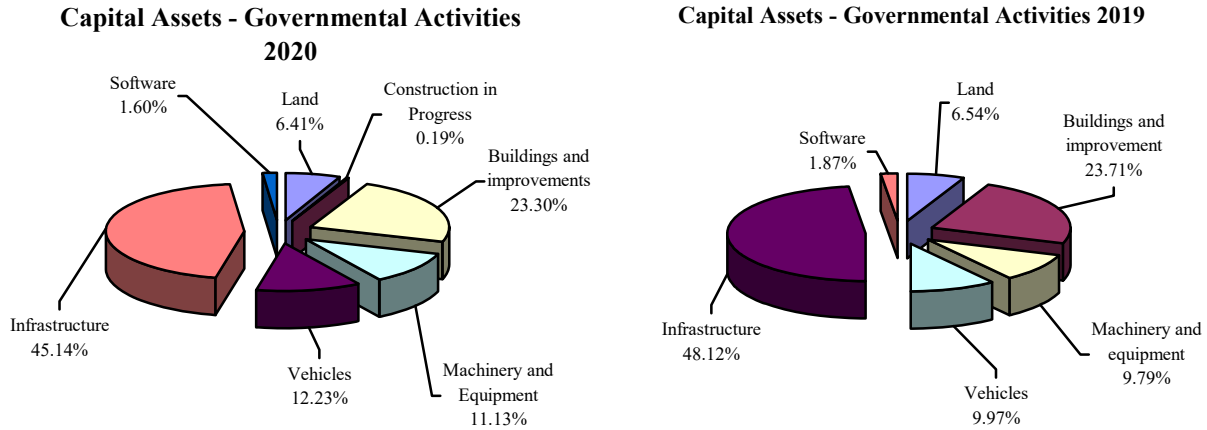
The following table shows 2020 balances compared to the 2019 balances:

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

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
Land	\$ 1,668,740	\$ 1,668,740
Construction in progress	48,463	-
Building and improvements	6,071,042	6,051,152
Machinery and equipment	2,897,810	2,497,448
Vehicles	3,185,330	2,546,191
Infrastructure	11,755,225	12,280,183
Software	417,004	478,530
<b>Total</b>	<b><u>\$ 26,043,614</u></b>	<b><u>\$ 25,522,244</u></b>

See Note 13 to the basic financial statements for detail on governmental activities capital assets.

The following graphs show the breakdown of governmental capital assets by category for 2020 and 2019.



The County’s largest governmental capital asset category is infrastructure which includes roads, bridges, culverts and waterworks. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County’s infrastructure (cost less accumulated depreciation) represents approximately, 45.14% of the County’s total governmental capital assets.

**COSHOCTON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

***Debt Administration***

At December 31, 2020, governmental activities had \$85,000 in general obligation bonds, OWDA loans of \$163,014, notes payable of \$435,752, capital leases of \$58,653 and lease purchase agreements of \$1,012,523 outstanding. Of this total, \$434,109 is due within one year and \$1,320,833 is due in greater than one year. The following table summarizes the debt obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
Long-Term Obligations		
General obligation bonds	\$ 85,000	\$ 242,465
OWDA loan	163,014	170,342
Notes payable	435,752	481,336
Capital leases	58,653	29,352
Lease purchase agreements	<u>1,012,523</u>	<u>1,282,039</u>
Total	<u>\$ 1,754,942</u>	<u>\$ 2,205,534</u>

See Note 14 to the basic financial statements for detail on governmental activities outstanding debt.

**Economic Factors and Next Year’s Budgets and Rates**

Coshocton County’s estimated population for 2019 is 36,600, down 0.8% from 2010 according to the U.S. Census Bureau. The newest census data for 2020 has not yet been released. Unemployment rates were the same across all regions as the Ohio Department of Job and Family Services reported Coshocton County’s unadjusted annual unemployment and the state’s average for 2020 were both 8.1%. Likewise, the U.S. Department of Labor’s Bureau of Labor Statistics reported a national average of 8.1% for 2020.

The Board of Commissioners and Auditor worked hard during 2020 to protect the county’s general fund carryover balance. By closely monitoring general fund revenue streams to determine the effects the pandemic will have on the economy and requesting a 10% decrease in all 2021 county budgets, the county was preparing the best it could for the revenue hit. However, at the end of 2020, county sales tax collections were up 6.35%, or \$353,951, over 2019 collections. In the first quarter of 2021, records continue to reflect even stronger growth, with a nearly 12% increase in collection over 2020 during the same period.

In part, due to federal Covid Relief Funds (CRF), Coshocton County was able to mediate the extra expenses cause by the pandemic and has ended 2020 with a \$4.512 million General Fund cash balance, an 18.9% increase over the prior year’s carry-over. Coshocton County’s elected and appointed officials, in partnership with the Board of Commissioners and the Auditor certifying cautious revenue estimates and conservative budgets, work together to preserve the health of the General Fund balance, even in uncertain times. Of this CRF, a little more than \$550k was also distributed locally to business and non-profit as grants administered through the Commissioners’ Office.

In addition to the financial side of the government, the Board of County Commissioners work closely with the Coshocton Port Authority (CPA) to develop existing and new business and industry. The CPA had following new and major economic development projects during calendar year 2020:

- The Coshocton Port Authority assisted in connecting three local manufacturing businesses to regional and state partners that resulted in expansion efforts consisting of a capital investment of \$14,300,000 and the creation of over 100 new full time jobs. These efforts also brought \$550,000 in grant dollars to those local businesses.

## **COSHOCTON COUNTY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020**

- The Coshocton Port Authority established the Emergency Relief Fund upon the onset of the Covid-19 Global Pandemic. This fund raised \$95,770 to put directly back into Coshocton County businesses as assistance for emergent expenses due to closure or reduced capacities. To date, nearly \$94,000 has been granted to local businesses.
- The Coshocton Port Authority assisted in connecting our local businesses to regional, state and federal programs that were created as a result of the pandemic. This resulted in many businesses receiving funding through the Paycheck Protection Program and the Economic Injury Disaster Loans from the U.S. Small Business Administration.
- The Coshocton Port Authority continued with “Be a part of something BIG, someplace small!” #chooseCoshocton campaign. This highlighted Coshocton at its best as the community was more resilient and determined to recover.

#### **Contacting the County’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Christine Sycks, Coshocton County Auditor, at 349 Main Street – Room 101, Coshocton, Ohio 43812.

**BASIC  
FINANCIAL STATEMENTS**

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COSHOCTON COUNTY, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Regional Airport Authority	Coshocton County Land Reutilization Corporation
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 19,165,957	\$ 134,403	\$ -
Cash with fiscal agent . . . . .	2,663,109	-	-
Cash in segregated accounts . . . . .	36,550	-	-
Receivables:			
Sales taxes . . . . .	1,639,324	-	-
Real and other taxes . . . . .	9,423,131	-	-
Accounts . . . . .	225,957	1,925	-
Accrued interest . . . . .	46,624	-	-
Due from other governments . . . . .	4,629,279	159,421	-
Prepayments . . . . .	266,513	-	-
Materials and supplies inventory . . . . .	404,311	-	-
Assets held for resale . . . . .	-	17,564	147,730
Net OPEB asset . . . . .	48,618	-	-
Net pension asset . . . . .	208,553	-	-
Capital assets:			
Land and construction in progress . . . . .	1,717,203	189,296	-
Depreciable capital assets, net . . . . .	24,326,411	3,373,864	-
Total capital assets, net . . . . .	26,043,614	3,563,160	-
Total assets . . . . .	64,801,540	3,876,473	147,730
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refundings . . . . .	4,079	-	-
Pension . . . . .	3,869,582	-	-
OPEB . . . . .	2,517,033	-	-
Total deferred outflows of resources . . . . .	6,390,694	-	-
<b>Liabilities:</b>			
Accounts payable . . . . .	562,799	25,426	-
Contracts payable . . . . .	11,488	115,020	-
Retainage payable . . . . .	-	42,998	-
Accrued wages and benefits payable . . . . .	668,678	-	-
Due to other governments . . . . .	318,312	-	-
Accrued interest payable . . . . .	7,150	-	-
Claims payable . . . . .	388,070	-	-
Real estate tax payable . . . . .	-	11,174	-
Sales tax payable . . . . .	-	713	-
Payroll withholdings payable . . . . .	136,977	-	-
Unearned revenue . . . . .	2,448	-	-
Long-term liabilities:			
Due within one year . . . . .	1,662,100	-	-
Due in more than one year:			
Net pension liability . . . . .	22,909,444	-	-
Net OPEB liability . . . . .	15,258,005	-	-
Other amounts due in more than one year . . . . .	1,633,534	-	-
Total liabilities . . . . .	43,559,005	195,331	-
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	9,001,845	-	-
Pension . . . . .	4,906,105	-	-
OPEB . . . . .	2,293,081	-	-
Total deferred inflows of resources . . . . .	16,201,031	-	-
<b>Net position:</b>			
Net investment in capital assets . . . . .	24,555,109	3,442,528	-
Restricted for:			
Capital projects . . . . .	1,494,221	-	-
Debt service . . . . .	16,036	-	-
Public works projects . . . . .	1,451,998	-	-
Human services programs . . . . .	538,330	-	-
Health programs . . . . .	1,610,203	-	-
General government operations . . . . .	513,902	-	-
Public safety programs . . . . .	836,687	-	-
Other purposes . . . . .	121,378	-	-
Unrestricted (deficit) . . . . .	(19,705,666)	238,614	147,730
Total net position . . . . .	\$ 11,432,198	\$ 3,681,142	\$ 147,730

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Current:				
General government:				
Legislative and executive. . . . .	\$ 4,907,733	\$ 2,457,833	\$ 54,541	\$ 9,847
Judicial. . . . .	3,125,413	208,652	739,171	-
Public safety. . . . .	8,356,983	2,235,519	1,657,360	-
Public works. . . . .	8,458,914	155,677	6,594,757	1,061,852
Health. . . . .	9,536,017	1,537,860	2,055,882	-
Human services. . . . .	10,604,299	420,910	8,210,446	-
Conservation and recreation. . . . .	3,228	-	-	-
Economic development and assistance. . . . .	551,298	-	578,091	-
Intergovernmental. . . . .	292,964	-	-	-
Other. . . . .	1,997,768	9,939	6,166	-
Interest and fiscal charges. . . . .	74,556	-	-	-
Total primary government. . . . .	<u>\$ 47,909,173</u>	<u>\$ 7,026,390</u>	<u>\$ 19,896,414</u>	<u>\$ 1,071,699</u>
<b>Component units:</b>				
Regional Airport Authority. . . . .	\$ 498,866	\$ 186,604	\$ 30,000	\$ 354,914
Coshocton County Land Reutilization Corporation. . . . .	-	-	-	-
Total component units. . . . .	<u>\$ 498,866</u>	<u>\$ 186,604</u>	<u>\$ 30,000</u>	<u>\$ 354,914</u>
Totals. . . . .	<u>\$ 48,408,039</u>	<u>\$ 7,212,994</u>	<u>\$ 19,926,414</u>	<u>\$ 1,426,613</u>

**General revenues:**

Property taxes levied for:

- General purposes. . . . .
- Health. . . . .
- Human services. . . . .
- Public safety. . . . .
- Debt service. . . . .

Sales taxes levied for:

- General purposes. . . . .
- Lodging excise tax. . . . .
- Payment in lieu of taxes. . . . .
- Grants and entitlements not restricted to specific programs. . . . .
- Unrestricted investment earnings. . . . .
- Contributions and donations not restricted to specific programs. . . . .
- Miscellaneous. . . . .

Total general revenues. . . . .

Change in net position. . . . .

**Net position at beginning of year. . . . .**

**Net position at end of year. . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>	<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Regional Airport Authority</b>	<b>Coshocton County Land Reutilization Corporation</b>
\$ (2,385,512)	\$ -	\$ -
(2,177,590)	-	-
(4,464,104)	-	-
(646,628)	-	-
(5,942,275)	-	-
(1,972,943)	-	-
(3,228)	-	-
26,793	-	-
(292,964)	-	-
(1,981,663)	-	-
(74,556)	-	-
(19,914,670)	-	-
-	72,652	-
-	-	-
-	72,652	-
(19,914,670)	72,652	-
1,724,895	-	-
6,125,039	-	-
1,195,562	-	-
96,544	-	-
76,082	-	-
6,094,184	-	-
64,961	-	-
2,860	-	-
1,947,855	-	-
571,315	-	-
-	-	147,730
1,602,970	26,165	-
19,502,267	26,165	147,730
(412,403)	98,817	147,730
11,844,601	3,582,325	-
\$ 11,432,198	\$ 3,681,142	\$ 147,730

**COSHOCTON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 5,614,098	\$ 146,693	\$ 2,748,222	\$ 2,865,481
Cash with fiscal agent . . . . .	-	-	-	2,192,162
Cash in segregated accounts . . . . .	29,482	-	-	-
Receivables:				
Sales taxes . . . . .	1,639,324	-	-	-
Real and other taxes . . . . .	1,697,604	-	-	3,841,038
Accounts . . . . .	29,045	-	-	-
Accrued interest . . . . .	46,624	-	-	-
Due from other governments . . . . .	712,188	247,666	2,405,925	200,685
Interfund loans . . . . .	17,000	-	-	-
Due from other funds . . . . .	67,609	626,153	-	-
Prepayments . . . . .	259,140	4,973	-	-
Materials and supplies inventory . . . . .	68,211	2,972	241,853	2,289
Total assets . . . . .	<u>\$ 10,180,325</u>	<u>\$ 1,028,457</u>	<u>\$ 5,396,000</u>	<u>\$ 9,101,655</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 106,884	\$ 48,902	\$ 28,433	\$ 8,187
Contracts payable . . . . .	-	-	11,488	-
Accrued wages and benefits payable . . . . .	270,643	72,671	58,149	65,012
Compensated absences payable . . . . .	41,587	-	-	-
Due to other governments . . . . .	136,408	35,789	23,982	27,872
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	-	59,904	-	-
Unearned revenue . . . . .	-	-	-	-
Payroll withholdings payable . . . . .	136,977	-	-	-
Total liabilities . . . . .	<u>692,499</u>	<u>217,266</u>	<u>122,052</u>	<u>101,071</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	1,626,000	-	-	3,680,000
Delinquent property tax revenue not available . . . . .	71,604	-	-	161,038
Accrued interest not available . . . . .	31,904	-	-	-
Sales tax revenue not available . . . . .	1,137,565	-	-	-
Miscellaneous revenue not available . . . . .	16,380	803	-	-
Other nonexchange transactions not available . . . . .	528,533	774,164	2,006,102	175,746
Total deferred inflows of resources . . . . .	<u>3,411,986</u>	<u>774,967</u>	<u>2,006,102</u>	<u>4,016,784</u>
Total liabilities and deferred inflows of resources.	<u>4,104,485</u>	<u>992,233</u>	<u>2,128,154</u>	<u>4,117,855</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	419,988	7,945	241,853	2,289
Restricted . . . . .	-	28,279	3,025,993	4,981,511
Committed . . . . .	-	-	-	-
Assigned . . . . .	4,182,044	-	-	-
Unassigned (deficit) . . . . .	1,473,808	-	-	-
Total fund balances (deficit) . . . . .	<u>6,075,840</u>	<u>36,224</u>	<u>3,267,846</u>	<u>4,983,800</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 10,180,325</u>	<u>\$ 1,028,457</u>	<u>\$ 5,396,000</u>	<u>\$ 9,101,655</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Emergency Ambulance Levy</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,252,003	\$ 5,613,288	\$ 18,239,785
-	668	2,192,830
-	7,068	36,550
-	-	1,639,324
2,585,027	1,299,462	9,423,131
112,642	24,851	166,538
-	-	46,624
113,266	949,549	4,629,279
-	-	17,000
198,738	26,917	919,417
-	2,400	266,513
71,059	17,927	404,311
<u>\$ 4,332,735</u>	<u>\$ 7,942,130</u>	<u>\$ 37,981,302</u>
\$ 39,528	\$ 328,934	\$ 560,868
-	-	11,488
81,176	119,357	667,008
-	-	41,587
35,811	57,707	317,569
-	17,000	17,000
-	859,513	919,417
-	2,448	2,448
-	-	136,977
<u>156,515</u>	<u>1,384,959</u>	<u>2,674,362</u>
2,470,000	1,225,845	9,001,845
115,027	73,617	421,286
-	-	31,904
-	-	1,137,565
-	13,030	30,213
113,266	744,096	4,341,907
<u>2,698,293</u>	<u>2,056,588</u>	<u>14,964,720</u>
<u>2,854,808</u>	<u>3,441,547</u>	<u>17,639,082</u>
71,059	20,327	763,461
-	4,152,048	12,187,831
1,406,868	702,903	2,109,771
-	-	4,182,044
-	(374,695)	1,099,113
<u>1,477,927</u>	<u>4,500,583</u>	<u>20,342,220</u>
<u>\$ 4,332,735</u>	<u>\$ 7,942,130</u>	<u>\$ 37,981,302</u>

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**COSHOCTON COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$ 20,342,220
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,043,614
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 421,286	
Sales taxes receivable	1,137,565	
Accounts receivable	30,213	
Intergovernmental revenues receivable	4,341,907	
Accrued interest receivable	31,904	
Total	<u>5,962,875</u>	5,962,875
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		967,232
On the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is accrued when due.		(7,150)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		4,079
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	208,026	
Deferred outflows of resources	3,860,235	
Deferred inflows of resources	(4,893,994)	
Net pension liability	(22,853,256)	
Total	<u>(23,678,989)</u>	(23,678,989)
The net OPEB asset and net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	48,618	
Deferred outflows of resources	2,510,784	
Deferred inflows of resources	(2,287,581)	
Net OPEB liability	(15,219,457)	
Total	<u>(14,947,636)</u>	(14,947,636)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(85,000)	
OWDA loan	(163,014)	
Compensated absences	(1,499,105)	
Capital lease payable	(58,653)	
Lease purchase payable	(1,012,523)	
Notes payable	(435,752)	
Total	<u>(3,254,047)</u>	(3,254,047)
<b>Net position of governmental activities</b>		<u>\$ 11,432,198</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,721,555	\$ -	\$ -	\$ 3,585,248
Sales taxes . . . . .	5,974,844	-	-	-
Payment in lieu of taxes . . . . .	927	-	-	508
Charges for services. . . . .	1,699,313	-	-	213,996
Licenses and permits . . . . .	2,913	-	-	-
Fines and forfeitures . . . . .	34,622	-	35,099	-
Intergovernmental. . . . .	1,944,959	3,238,615	5,824,499	1,439,880
Investment income. . . . .	549,961	-	14,987	33,923
Rental income . . . . .	113,131	-	-	-
Contributions and donations. . . . .	3,500	-	-	100
Lodging taxes . . . . .	-	-	-	-
Other . . . . .	1,492,262	45,378	155,587	95,228
Total revenues . . . . .	<u>13,537,987</u>	<u>3,283,993</u>	<u>6,030,172</u>	<u>5,368,883</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	3,149,322	-	-	-
Judicial. . . . .	2,670,484	-	-	-
Public safety . . . . .	3,428,858	-	-	-
Public works . . . . .	142,983	-	5,495,192	-
Health . . . . .	69,587	-	-	4,842,543
Human services. . . . .	297,358	3,048,709	-	-
Conservation and recreation . . . . .	2,100	-	-	-
Other . . . . .	1,961,230	-	-	-
Economic development and assistance . . . . .	-	-	-	-
Capital outlay . . . . .	229,546	-	-	-
Intergovernmental. . . . .	222,800	-	-	-
Debt service:				
Principal retirement. . . . .	146,082	-	69,074	-
Interest and fiscal charges . . . . .	23,960	-	16,696	-
Total expenditures . . . . .	<u>12,344,310</u>	<u>3,048,709</u>	<u>5,580,962</u>	<u>4,842,543</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,193,677</u>	<u>235,284</u>	<u>449,210</u>	<u>526,340</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets. . . . .	11,483	-	-	-
Capital lease transaction. . . . .	30,163	-	-	-
Transfers in . . . . .	-	104,840	-	-
Transfers (out). . . . .	(218,144)	-	-	(735,750)
Insurance proceeds . . . . .	87,296	-	-	-
Total other financing sources (uses) . . . . .	<u>(89,202)</u>	<u>104,840</u>	<u>-</u>	<u>(735,750)</u>
Net change in fund balances . . . . .	1,104,475	340,124	449,210	(209,410)
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<u>4,971,365</u>	<u>(303,900)</u>	<u>2,818,636</u>	<u>5,193,210</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 6,075,840</u>	<u>\$ 36,224</u>	<u>\$ 3,267,846</u>	<u>\$ 4,983,800</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Emergency Ambulance Levy</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,526,912	\$ 1,364,754	\$ 9,198,469
-	-	5,974,844
367	211	2,013
1,042,373	3,619,126	6,574,808
-	148,583	151,496
-	77,135	146,856
330,098	8,702,035	21,480,086
-	2,541	601,412
-	-	113,131
700	15,299	19,599
-	64,961	64,961
48,683	563,494	2,400,632
<u>3,949,133</u>	<u>14,558,139</u>	<u>46,728,307</u>
-	1,207,639	4,356,961
-	146,130	2,816,614
-	3,939,325	7,368,183
-	1,619,786	7,257,961
3,317,203	897,660	9,126,993
-	6,481,323	9,827,390
-	-	2,100
-	2,279	1,963,509
-	551,298	551,298
-	187,952	417,498
-	70,164	292,964
74,940	205,478	495,574
10,263	21,220	72,139
<u>3,402,406</u>	<u>15,330,254</u>	<u>44,549,184</u>
<u>546,727</u>	<u>(772,115)</u>	<u>2,179,123</u>
18,611	-	30,094
-	14,819	44,982
-	849,054	953,894
-	-	(953,894)
-	-	87,296
<u>18,611</u>	<u>863,873</u>	<u>162,372</u>
565,338	91,758	2,341,495
912,589	4,408,825	18,000,725
<u>\$ 1,477,927</u>	<u>\$ 4,500,583</u>	<u>\$ 20,342,220</u>

**COSHOCTON COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	\$	2,341,495
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Capital outlays exceeded depreciation expense in the current period accordingly.		
Capital asset additions	\$	3,059,226
Current year depreciation		<u>(2,335,039)</u>
Total		724,187
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(202,817)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	20,187	
Sales taxes	119,340	
Intergovernmental	220,626	
Charges for services	(25,655)	
Investment income	8,291	
Other	<u>(5,979)</u>	
Total		336,810
Repayment of bond, note, lease and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		495,574
Proceeds of capital leases are recognized as other financing sources in the governmental funds, however, they are not reported as revenues as they increase liabilities on the statement of net position.		(44,982)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:		
Decrease in accrued interest payable	2,033	
Amortization of deferred charges on refundings	<u>(4,450)</u>	
Total		(2,417)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,401,242	
OPEB	<u>16,029</u>	
Total		2,417,271
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(4,373,126)	
OPEB	<u>(1,899,318)</u>	
Total		(6,272,444)
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 the governmental funds.		(135,376)
The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		<u>(69,704)</u>
<b>Change in net position of governmental activities</b>	\$	<u>(412,403)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,720,000	\$ 1,723,870	\$ 1,725,151	\$ 1,281
Sales taxes . . . . .	5,200,000	5,920,439	5,920,442	3
Payment in lieu of taxes . . . . .	900	900	927	27
Charges for services. . . . .	1,182,986	1,385,226	1,408,416	23,190
Licenses and permits . . . . .	2,500	2,500	2,913	413
Fines and forfeitures. . . . .	30,150	34,150	33,205	(945)
Intergovernmental . . . . .	1,944,068	2,017,328	1,960,885	(56,443)
Investment income. . . . .	276,000	257,000	256,462	(538)
Rental income . . . . .	99,200	111,600	113,131	1,531
Contributions and donations . . . . .	75,000	3,500	3,500	-
Other. . . . .	125,407	1,232,417	1,233,766	1,349
<b>Total revenues . . . . .</b>	<b>10,656,211</b>	<b>12,688,930</b>	<b>12,658,798</b>	<b>(30,132)</b>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	3,536,448	3,533,594	3,163,993	369,601
Judicial. . . . .	2,899,413	3,019,770	2,763,084	256,686
Public safety . . . . .	3,857,816	3,682,241	3,507,047	175,194
Public works . . . . .	200,930	200,930	146,003	54,927
Health . . . . .	79,880	79,880	79,880	-
Human services. . . . .	361,852	362,145	313,707	48,438
Conservation and recreation . . . . .	2,200	2,200	2,100	100
Capital outlay . . . . .	461,254	461,004	256,124	204,880
Intergovernmental. . . . .	222,800	222,800	222,800	-
Other . . . . .	1,797,645	1,791,294	1,714,749	76,545
Debt service:				
Principal retirement. . . . .	146,082	296,082	296,082	-
Interest and fiscal charges . . . . .	21,550	25,550	23,960	1,590
<b>Total expenditures . . . . .</b>	<b>13,587,870</b>	<b>13,677,490</b>	<b>12,489,529</b>	<b>1,187,961</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(2,931,659)	(988,560)	169,269	1,157,829
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	150,000	150,000	150,000	-
Sale of capital assets. . . . .	11,000	11,000	11,483	483
Advances in . . . . .	30,000	122,500	126,831	4,331
Advances (out) . . . . .	(25,000)	(125,000)	(121,331)	3,669
Transfers in . . . . .	249,639	1,200	1,177	(23)
Transfers (out). . . . .	(227,840)	(229,672)	(218,172)	11,500
Capital lease transaction. . . . .	30,163	30,163	30,163	-
Insurance proceeds . . . . .	-	87,300	87,296	(4)
Other financing sources . . . . .	263,900	114,144	118,508	4,364
Other financing uses. . . . .	(2,081)	(2,081)	(2,078)	3
Contingencies . . . . .	(558,750)	(408,750)	-	408,750
<b>Total other financing sources (uses) . . . . .</b>	<b>(78,969)</b>	<b>(249,196)</b>	<b>183,877</b>	<b>433,073</b>
Net change in fund balances . . . . .	(3,010,628)	(1,237,756)	353,146	1,590,902
<b>Fund balances at beginning of year . . . . .</b>	<b>3,019,983</b>	<b>3,019,983</b>	<b>3,019,983</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>775,532</b>	<b>775,532</b>	<b>775,532</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 784,887</b>	<b>\$ 2,557,759</b>	<b>\$ 4,148,661</b>	<b>\$ 1,590,902</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 3,785,278	\$ 3,517,297	\$ 3,515,711	\$ (1,586)
Other . . . . .	48,116	45,431	45,378	(53)
Total revenues . . . . .	<u>3,833,394</u>	<u>3,562,728</u>	<u>3,561,089</u>	<u>(1,639)</u>
<b>Expenditures:</b>				
Current:				
Human services . . . . .	<u>3,869,755</u>	<u>3,812,450</u>	<u>3,802,176</u>	<u>10,274</u>
Total expenditures . . . . .	<u>3,869,755</u>	<u>3,812,450</u>	<u>3,802,176</u>	<u>10,274</u>
Excess of expenditures over revenues . . . . .	<u>(36,361)</u>	<u>(249,722)</u>	<u>(241,087)</u>	<u>8,635</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	111,035	104,840	104,840	-
Other financing sources . . . . .	<u>8,896</u>	<u>8,400</u>	<u>8,554</u>	<u>154</u>
Total other financing sources . . . . .	<u>119,931</u>	<u>113,240</u>	<u>113,394</u>	<u>154</u>
Net change in fund balances . . . . .	83,570	(136,482)	(127,693)	8,789
<b>Fund balances at beginning of year . . . . .</b>	5,155	5,155	5,155	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>131,327</u>	<u>131,327</u>	<u>131,327</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 220,052</u>	<u>\$ -</u>	<u>\$ 8,789</u>	<u>\$ 8,789</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE LICENSE AND GAS TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 37,416	\$ 35,000	\$ 35,448	\$ 448
Intergovernmental. . . . .	6,268,432	5,866,505	5,865,674	(831)
Investment income. . . . .	19,029	17,800	17,735	(65)
Other . . . . .	123,848	115,850	116,985	1,135
<b>Total revenues . . . . .</b>	<u>6,448,725</u>	<u>6,035,155</u>	<u>6,035,842</u>	<u>687</u>
<b>Expenditures:</b>				
Current:				
Public works . . . . .	6,456,782	6,726,442	5,598,543	1,127,899
Debt service:				
Principal retirement. . . . .	80,000	80,000	69,074	10,926
Interest and fiscal charges . . . . .	4,000	4,000	16,696	(12,696)
<b>Total expenditures . . . . .</b>	<u>6,540,782</u>	<u>6,810,442</u>	<u>5,684,313</u>	<u>1,126,129</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(92,057)</u>	<u>(775,287)</u>	<u>351,529</u>	<u>1,126,816</u>
<b>Other financing sources:</b>				
Other financing sources . . . . .	59,270	41,102	41,102	-
<b>Total other financing sources . . . . .</b>	<u>59,270</u>	<u>41,102</u>	<u>41,102</u>	<u>-</u>
Net change in fund balances . . . . .	(32,787)	(734,185)	392,631	1,126,816
<b>Fund balances at beginning of year . . . . .</b>	2,067,525	2,067,525	2,067,525	-
<b>Prior year encumbrances appropriated . . . . .</b>	124,236	124,236	124,236	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,158,974</u>	<u>\$ 1,457,576</u>	<u>\$ 2,584,392</u>	<u>\$ 1,126,816</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes. . . . .	\$ 3,431,828	\$ 3,593,340	\$ 3,593,334	\$ (6)
Payment in lieu of taxes . . . . .	-	-	508	508
Charges for services. . . . .	199,410	208,795	215,556	6,761
Intergovernmental. . . . .	1,343,058	1,406,267	1,420,552	14,285
Contributions and donations. . . . .	24	25	100	75
Other . . . . .	23,876	25,000	25,818	818
<b>Total revenues . . . . .</b>	<u>4,998,196</u>	<u>5,233,427</u>	<u>5,255,868</u>	<u>22,441</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	4,892,869	5,100,764	4,359,921	740,843
<b>Total expenditures . . . . .</b>	<u>4,892,869</u>	<u>5,100,764</u>	<u>4,359,921</u>	<u>740,843</u>
Excess of revenues over expenditures . . . . .	<u>105,327</u>	<u>132,663</u>	<u>895,947</u>	<u>763,284</u>
<b>Other financing sources:</b>				
Transfers (out). . . . .	(735,750)	(735,750)	(735,750)	-
Other financing sources . . . . .	115,900	91,250	91,910	660
<b>Total other financing sources . . . . .</b>	<u>(619,850)</u>	<u>(644,500)</u>	<u>(643,840)</u>	<u>660</u>
Net change in fund balances . . . . .	(514,523)	(511,837)	252,107	763,944
<b>Fund balances at beginning of year . . . . .</b>	2,300,723	2,300,723	2,300,723	-
<b>Prior year encumbrances appropriated . . . . .</b>	104,951	104,951	104,951	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,891,151</u>	<u>\$ 1,893,837</u>	<u>\$ 2,657,781</u>	<u>\$ 763,944</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,381,247	\$ 2,532,700	\$ 2,532,687	\$ (13)
Payment in lieu of taxes . . . . .	-	-	367	367
Charges for services. . . . .	1,001,314	1,065,000	1,079,841	14,841
Intergovernmental. . . . .	310,764	330,529	330,962	433
Contributions and donations. . . . .	-	-	700	700
Other . . . . .	109,095	34,393	49,362	14,969
<b>Total revenues . . . . .</b>	<u>3,802,420</u>	<u>3,962,622</u>	<u>3,993,919</u>	<u>31,297</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	3,855,999	3,919,349	3,606,972	312,377
Debt service:				
Principal retirement. . . . .	74,940	74,940	74,940	-
Interest and fiscal charges . . . . .	10,263	10,263	10,263	-
<b>Total expenditures . . . . .</b>	<u>3,941,202</u>	<u>4,004,552</u>	<u>3,692,175</u>	<u>312,377</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(138,782)</u>	<u>(41,930)</u>	<u>301,744</u>	<u>343,674</u>
<b>Other financing sources</b>				
Sale of capital assets. . . . .	18,611	18,611	18,611	-
<b>Total other financing sources . . . . .</b>	<u>18,611</u>	<u>18,611</u>	<u>18,611</u>	<u>-</u>
Net change in fund balances . . . . .	(120,171)	(23,319)	320,355	343,674
<b>Fund balances at beginning of year . . . . .</b>	643,806	643,806	643,806	-
<b>Prior year encumbrances appropriated . . . . .</b>	110,528	110,528	110,528	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 634,163</u>	<u>\$ 731,015</u>	<u>\$ 1,074,689</u>	<u>\$ 343,674</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2020

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments . . . . .	\$ 926,172
Cash with fiscal agent. . . . .	470,279
Receivables:	
Accounts. . . . .	59,419
Noncurrent assets:	
Net pension asset. . . . .	<u>527</u>
Total assets . . . . .	<u>1,456,397</u>
<b>Deferred outflows of resources:</b>	
Pension . . . . .	9,347
OPEB . . . . .	<u>6,249</u>
Total deferred outflows of resources . . . . .	<u>15,596</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	1,931
Accrued wages and benefits payable . . . . .	1,670
Due to other governments . . . . .	743
Claims payable . . . . .	388,070
Long-term liabilities:	
Net pension liability . . . . .	56,188
Net OPEB liability . . . . .	<u>38,548</u>
Total liabilities . . . . .	<u>487,150</u>
<b>Deferred inflows of resources:</b>	
Pension . . . . .	12,111
OPEB . . . . .	<u>5,500</u>
Total deferred inflows of resources . . . . .	<u>17,611</u>
<b>Net position:</b>	
Unrestricted . . . . .	<u>967,232</u>
Total net position. . . . .	<u>\$ 967,232</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**COSHOCTON COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 5,205,066
Other . . . . .	284,471
Total operating revenues. . . . .	<u>5,489,537</u>
<b>Operating expenses:</b>	
Personal services . . . . .	84,641
Contract services. . . . .	953,413
Claims. . . . .	4,533,131
Other . . . . .	1,119
Total operating expenses. . . . .	<u>5,572,304</u>
Operating loss . . . . .	<u>(82,767)</u>
<b>Nonoperating revenues:</b>	
Interest . . . . .	13,063
Total nonoperating revenues . . . . .	<u>13,063</u>
Change in net position . . . . .	(69,704)
<b>Net position at beginning of year. . . . .</b>	<u>1,036,936</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 967,232</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services . . . . .	\$ 5,205,066
Cash received from other receipts. . . . .	237,355
Cash payments for personal services . . . . .	(76,282)
Cash payments for contractual services . . . . .	(951,482)
Cash payments for claims . . . . .	(4,514,308)
Cash payments for other expenses. . . . .	<u>(1,119)</u>
Net cash used in operating activities . . . . .	<u>(100,770)</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>13,063</u>
Net cash provided by investing activities . . . . .	<u>13,063</u>
Net decrease in cash and cash equivalents. . . . .	(87,707)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>1,484,158</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 1,396,451</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss. . . . .	\$ (82,767)
Changes in assets, deferred outflows, liabilities and deferred inflow:	
Increase in accounts receivable . . . . .	(47,116)
Increase in net pension asset. . . . .	(213)
Decrease in deferred outflows - pension . . . . .	13,942
Increase in deferred outflows - OPEB. . . . .	(3,438)
Decrease in accounts payable . . . . .	392
Increase in accrued wages and benefits . . . . .	348
Increase in due to other governments . . . . .	68
Increase in claims payable. . . . .	18,823
Decrease in net pension liability . . . . .	(19,271)
Increase in net OPEB liability . . . . .	3,243
Increase in deferred inflows - pension . . . . .	10,397
Increase in deferred inflows - OPEB . . . . .	<u>4,822</u>
Net cash used in operating activities. . . . .	<u><u>\$ (100,770)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF FIUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2020

	<u>Custodial</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 2,679,925
Cash in segregated accounts . . . . .	152,337
Receivables (net of allowances for uncollectibles):	
Taxes - current . . . . .	30,011,633
Due from other governments . . . . .	<u>2,461,103</u>
Total assets . . . . .	<u>35,304,998</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	41,922
Accrued wages and benefits . . . . .	40,146
Compensated absences payable . . . . .	54,026
Due to other governments . . . . .	<u>3,579,319</u>
Total liabilities . . . . .	<u>3,715,413</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	<u>28,640,801</u>
Total deferred inflows of resources . . . . .	<u>28,640,801</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments .	<u>2,948,784</u>
Total net position . . . . .	<u><u>\$ 2,948,784</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

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

	<u>Custodial</u>
<b>Additions:</b>	
From local sources:	
Intergovernmental . . . . .	\$ 7,437,946
Amounts received as fiscal agent . . . . .	2,583,081
Licenses, permits and fees for other governments . . . . .	3,577,434
Fines and forfeitures for others . . . . .	662,029
Property tax collection for other governments . . . . .	25,859,465
Payment in lieu of taxes collected for other governments. . . . .	4,873
Other custodial fund collections . . . . .	<u>126,832</u>
Total additions . . . . .	<u>40,251,660</u>
<b>Deductions:</b>	
Distributions of state funds to other governments . . . . .	5,005,933
Distributions of federal funds to other governments . . . . .	1,978,964
Distributions as fiscal agent . . . . .	2,399,790
Licenses, permits and fees distributions to other governments . . . . .	3,604,811
Fines and forfeitures distributions to others . . . . .	737,397
Property tax distributions to other governments . . . . .	26,260,439
Payment in lieu of taxes due to other governments . . . . .	4,873
Other custodial fund disbursements . . . . .	<u>131,539</u>
Total deductions . . . . .	<u>40,123,746</u>
Net change in fiduciary net position . . . . .	127,914
<b>Net position beginning of year . . . . .</b>	<u>2,820,870</u>
<b>Net position end of year . . . . .</b>	<u><u>\$ 2,948,784</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## COSHOCTON COUNTY, OHIO

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

#### NOTE 1 - DESCRIPTION OF THE COUNTY

Coshocton County, Ohio (the “County”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by the Ohio State Legislature in 1811. The County is governed by a three-member Board of Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County.

The County Auditor serves as fiscal officer for the County and the tax assessor for all political subdivisions within the County. The County Treasurer is required by Ohio law to collect locally assessed taxes. As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. Other elected officials include the Prosecutor, Engineer, Recorder, Sheriff, Coroner, Clerk of Courts and Common Pleas Judges.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County’s accounting policies are described below.

##### A. Reporting Entity

The County’s reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61 “The Financial Reporting Entity Omnibus on Amendment of GASB Statements No. 14 and 34.” The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statement of the County are not misleading.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes other departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading.

Based on the foregoing criteria, the financial activities of the following Primary Component Units (PCU) have been reflected in the accompanying basic financial statements as:

**COSHOCTON COUNTY, OHIO**

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

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

*DISCRETELY PRESENTED COMPONENT UNITS*

The component unit columns in the combined financial statements identifies the financial data of the County's component units: the Coshocton County Regional Airport Authority and the Coshocton County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County.

Coshocton County Regional Airport Authority (the "Authority") - is a legally separate regional airport authority established pursuant to Section 308.03 of the Ohio Revised Code, for the purpose of acquiring, constructing, operating, and maintaining an airport and airport facility in, and for, Coshocton County. Coshocton County Commissioners appoint a voting majority of the Board and the County has a financial benefit/burden relationship with the Authority.

Information related to Coshocton County Regional Airport Authority is presented in Note 24.

Coshocton County Land Reutilization Corporation (the "Corporation") - is a county land reutilization corporation that was formed on August 17, 2020 when the Coshocton County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing vacant, abandoned, tax-foreclosed or other real property throughout Coshocton County (the "County"). The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is considered to be a component unit of Coshocton County and is discretely presented. The nature and significance of the relationship between the County and the Corporation is such that exclusion would cause the County's financial statements to be misleading. The Corporation operates on a fiscal year ending on December 31.

Information related to Coshocton County Land Reutilization Corporation is presented in Note 25.

*EXCLUDED POTENTIAL COMPONENT UNITS*

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the County Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below the County serves as fiscal agent and custodian, but is not accountable; therefore, the operations of the following PCUs have been excluded from the County's basic financial statements, but the funds held on behalf of these PCUs in the County Treasury are included in the custodial funds.

Information in the notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

## COSHOCTON COUNTY, OHIO

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

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

##### *JOINTLY GOVERNED ORGANIZATIONS*

Solid Waste District (the "District") - The County is a member of the Coshocton, Fairfield, Licking, and Perry Solid Waste District, which is a jointly governed organization. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. A twelve-member Board of Directors, consisting of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. During 2020, the County paid \$50,295 to the District.

A twenty-nine-member policy committee, consisting of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

Muskingum Mental Health and Recovery Board - (the "MH&R") - The MH&R Board is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble counties. The board has responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The MH&R is managed by a fourteen-member Board of Trustees; eight appointed by the member Counties, commissioners of the participating counties, six by the Director of the Ohio Department of Mental Health and Addiction Services. The MH&R Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2020, Coshocton County contributed \$332,861 from levy proceeds. Additional revenues are provided by levies from other member counties, and State and federal grants awarded to the multi-county board. Continued existence of the MH&R is not dependent on the County's participation and no equity interest exists.

Area Agency on Aging Region 9, Incorporated (the "Agency") - The Area Agency on Aging Region 9, Incorporated is a not-for-profit corporation (organized under Section 501 (C) (3) of the Internal Revenue Code) that assists nine counties, including Coshocton County, in providing services to senior citizens in the Agency's service area. Additionally, the Agency serves individuals of all ages through the caregiver program, chronic disease self-management programs and our administration of the Ohio Home Care Waiver. The Agency is governed by a Board of Directors consisting of representatives from each participating County. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Agency is not dependent on the County's continued participation and no equity interest exists. The Agency has no outstanding debt.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves nineteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and State grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2020, Coshocton County paid \$44,465 to MEORC for residential services.

**COSHOCTON COUNTY, OHIO**

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

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

Ohio Mid-Eastern Governments Association (OMEGA) - OMEGA is organized as an agency of the local governments by agreement among the membership. OMEGA provides opportunities in economic and community development through networking, education, planning, research and allocation of resources. OMEGA consists of Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas and Columbiana Counties and other political subdivisions in the counties.

OMEGA's governing board consists of a twenty-one-member Executive Board comprised of members appointed from each participating county and the cities within each county to supervise the administrative functions of OMEGA. The executive board elects officers and appoints an executive director and its own fiscal officer. The board exercises total control, including budgeting, appropriating, contracting, and designating management.

The continued existence of OMEGA is not dependent on the County's continued participation and no equity interest exists. OMEGA has no outstanding debt. During 2020, the County contributed \$3,853 to OMEGA.

Coshocton County Family and Children First Council (Council) - The mission of the Council is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of individuals from various organizations including the County. During 2020, the County paid \$98,677 to the Council for services.

Coshocton Port Authority (Port Authority) - The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide or promote transportation, economic development, education, governmental operations, culture, or research within the County. The Port Authority is governed by a five-member Board of Directors. Two members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the County Commissioner and the fifth appointment shall be approved by the four current members. The County paid \$60,500 to the Port Authority during 2020.



COSHOCTON COUNTY, OHIO

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

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

*PUBLIC ENTITY RISK POOL*

The Jefferson Health Plan - The County Board of Developmental Disabilities (DD) participates in the Jefferson Health Plan (the Plan) self-insurance plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of one hundred twenty members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance and vision insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit, which can range from \$50,000 to \$150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life, and allows for the purchase of vision insurance through Vision Service Plan.

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

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2020 was \$200,595.

## COSHOCTON COUNTY, OHIO

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

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

##### *RELATED ORGANIZATIONS*

Coshocton Metropolitan Housing Authority (the "Authority") - The Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five-member Board. Two members are appointed by the mayor of the largest City in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County paid \$1,084 to the Authority during 2020.

Coshocton City and County Park District (the "District") - The District is a legally separate organization created pursuant to Ohio Revised Code Section 1545.01. The County cannot impose its will on the District and a financial benefit/burden relationship does not exist. State statute provides that the County Auditor and Treasurer are ex-officio members of the Park District Board of Commissioners and designates the County Auditor as fiscal officer of the commission. Neither do the County Commissioners have the ability to significantly influence operations, designate management, approve budgets, nor does the County have responsibility for funding deficits. The County maintains custodial funds for the District's operation since the County Auditor serves as fiscal agent for the District. The County paid \$12,680 to the District during 2020.

##### *JOINT VENTURE WITHOUT EQUITY INTEREST*

Coshocton County Regional Planning Commission (the "Commission") - The Commission was created under ORC 713.21. They make studies, maps, and other reports of the region showing their recommendations for systems of transportation, highways, parks, and recreational facilities, water supplies, sewage disposal, garbage disposal, civil centers, and other public improvements which affect the development of the region as a whole, or more than one political subdivision within the region. At year end the County had no equity interest in the Commission.

#### **B. Basis of Presentation**

***Government-wide Financial Statements*** - The statement of net position and the statement of activities display information about the County as a whole. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements include the financial activities of the primary government except for fiduciary funds.

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

## COSHOCTON COUNTY, OHIO

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

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

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

#### C. Fund Accounting

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

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

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

*Human services fund* - This fund accounts for various federal and state grants as well as transfers from the general fund used to provide public assistance to general relief recipients, medical assistance and certain public social services.

*Motor vehicle license and gasoline tax fund* - This fund accounts for State gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads.

*County board of developmental disabilities (the "county board of DD") fund* - This fund accounts for a county-wide property tax levy, federal and state grants and reimbursements used for care and services for the developmentally disabled.

*Emergency ambulance levy fund* - This fund accounts for a county-wide property tax levy used to operate the County emergency ambulance service.

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

COSHOCTON COUNTY, OHIO

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

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

***Proprietary Funds*** - Proprietary funds focus on the determination of changes in net position, financial position, and cash flows, and are classified as either enterprise or internal service. The County's only proprietary funds are internal service funds.

***Internal service fund*** - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County has two internal service funds, both account for self-insurance programs.

***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. Custodial funds are custodial in nature and are prepared using the economic resources measurement focus. The County's only fiduciary funds are custodial funds which account for property taxes, special assessments, "pass through" monies to be disbursed to local governments other than the County, and separate agencies, boards, and commissions for which the County serves as fiscal agent and custodian.

**D. Measurement Focus**

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

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

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

Custodial funds use the economic resources measurement focus.

COSHOCTON COUNTY, OHIO

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

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

**E. Basis of Accounting**

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from all other nonexchange 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 (See Note 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, see Notes 17 and 18 for deferred outflows of resources related the County's net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**COSHOCTON COUNTY, OHIO**

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes 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 of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, sales taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the County, see Notes 17 and 18 for deferred inflows of resources related to the County's net pension liability/asset and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

**F. Budgetary Data**

All funds, other than custodial funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, 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 that the County Commissioners may appropriate. The appropriation resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the County Commissioners at the object level within each department.

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 in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by the County Commissioners.

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

## COSHOCTON COUNTY, OHIO

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

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

##### G. Cash and Investments

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

During 2020, the County invested in federal agency securities, municipal bonds, U.S. Treasury notes, U.S. Government money markets, negotiable certificates of deposit, foreign issues, and the State Treasury Asset Reserve of Ohio (STAR Ohio). The federal agency securities, negotiable certificates of deposits, municipal bonds, U.S. Treasury Notes, U.S. Government money markets and commercial paper are reported at fair value which is based on quoted market prices.

During 2020, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2020 amounted to \$549,961 which includes \$403,243 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the financial statements sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

The County has monies being held by the Mid East Ohio Regional Council of Governments (MEORC) and the Jefferson Health Plan. These funds held at year end are reflected on the financial statements as "cash with fiscal agent".

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

##### H. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

**COSHOCTON COUNTY, OHIO**

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

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

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

**I. Prepaid Items**

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.

**J. Capital Assets**

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a threshold of \$5,000 for general capital assets and a threshold of \$100,000 for infrastructure capital assets.

The County's governmental infrastructure assets consist of roads, bridges, culverts and waterworks. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Machinery and Equipment	8 - 15 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years
Software	5 - 7 years

**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.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that 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.



COSHOCTON COUNTY, OHIO

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

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

**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 the internal service fund 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, compensated absences 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. Bonds and long-term loans, notes, capital leases and lease purchase agreements are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**M. Interfund Transactions**

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/interfund payable" for the current portion of interfund loans or loans to/from other funds for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". These amounts are eliminated on the statement of net position.

**N. Fund Balance**

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

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

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

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

**COSHOCTON COUNTY, OHIO**

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

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

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

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

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

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**P. Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus 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 its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consist primarily of monies restricted for maintenance and repairs of facilities and to distribute lodging taxes or to be used in accordance with the CARES Act.

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

**Q. Estimates**

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

**R. Interfund Activity**

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

COSHOCTON COUNTY, OHIO

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

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

**S. Pensions/Other Postemployment Benefits (OPEB)**

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

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or event that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County did not have any extraordinary or special items during 2020.

**U. Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

**A. Change in Accounting Principles**

For 2020, the County has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the County has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

COSHOCTON COUNTY, OHIO

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at December 31, 2020 included the following individual fund deficits:

<u>Nonmajor fund</u>	<u>Deficit</u>
Children Services Levy	\$ 350,411
Jail Diversion	746
Child Support Enforcement Agency	23,538

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

## COSHOCTON COUNTY, OHIO

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

#### NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. Commercial paper notes must be in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation. Commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase;
9. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided that the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the 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.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution, unless collateralized through the OPCS. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature, or be redeemable, within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name. During 2020, the County and public depositories complied with the provisions of these statutes.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash with Fiscal Agent**

At December 31, 2020, the County had \$2,192,162 in monies held by MEORC as fiscal agent. These funds are held outside of the County Treasury and are not included in “deposits with financial institutions” below.

At December 31, 2020, the County’s internal service fund had a balance of \$470,279 with the Jefferson Health Plan, a claims servicing pool. The money is held by the claims servicing pool in a pooled account.

At December 31, 2020, the County had \$668 in monies held by BCI Capital, Inc. as fiscal agent. These funds are held outside of the County Treasury and are not included in “deposits with financial institutions” below.

**B. Cash in Segregated Accounts**

At December 31, 2020, the County had \$36,550 in cash in segregated accounts related to monies held by custodial funds but not yet recorded in the County’s governmental funds at year end. These funds are held outside of the County Treasury and are not included in “deposits with financial institutions” below.

At year end, the County had \$152,337 in cash and cash equivalents deposited separate from the County’s internal investment pool. This amount is included in the amount of deposits with financial institutions below.

**C. Cash on Hand**

At December 31, 2020, the County had \$968 in cash on hand which is reported on the financial statements as part of “equity in pooled cash and cash equivalents”.

**D. Deposits with Financial Institutions**

At December 31, 2020, the carrying amount of all County deposits was \$3,727,390 and the bank balance of all County deposits was \$5,082,722. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions' participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Investments**

As of December 31, 2020, the County had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CDs	\$ 4,774,489	\$ -	\$ -	\$ 254,212	\$ 559,256	\$ 3,961,021
U.S. Govt Money Market	45,467	45,467	-	-	-	-
Commercial Paper	2,233,576	2,233,576	-	-	-	-
Municipal Bonds	1,157,138	551,385	351,600	254,153	-	-
FFCB	2,941,652	-	-	801,635	-	2,140,017
FHLB	516,635	-	-	-	-	516,635
FHLMC	380,035	-	-	225,029	-	155,006
FNMA	2,106,920	-	-	-	546,385	1,560,535
U.S. Treasury Note	387,611	-	-	-	-	387,611
Foreign Issues	359,998	-	-	-	100,000	259,998
<i>Amortized Cost:</i>						
STAR Ohio	3,214,003	3,214,003	-	-	-	-
<b>Total</b>	<b>\$ 18,117,524</b>	<b>\$ 6,044,431</b>	<b>\$ 351,600</b>	<b>\$ 1,535,029</b>	<b>\$ 1,205,641</b>	<b>\$ 8,980,823</b>

The weighted average maturity of investments is 1.86 years.

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

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The U.S. Government money market carry a rating of AAAM by Standard & Poor's and Aaa-mf by Moody. The federal agency securities carry a rating of AA+ and Aaa by Standard & Poor's and Moody, respectively. The commercial paper carry a rating of A-1 and P-1 by Standard & Poor's and Moody, respectively. The foreign issues carry a rating of AA- and A1 by Standard and Poor's and Moody, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investment policy does not specifically address credit risk beyond requiring the County to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the County Treasurer or qualified trustee.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Amount</u>	<u>% of Total</u>
Fair Value:		
Negotiable CDs	\$ 4,774,489	26.35
U.S. Govt Money Market	45,467	0.25
Commercial Paper	2,233,576	12.33
Municipal Bonds	1,157,138	6.39
FFCB	2,941,652	16.24
FHLB	516,635	2.85
FHLMC	380,035	2.10
FNMA	2,106,920	11.63
U.S. Treasury Note	387,611	2.14
Foreign Issues	359,998	1.99
Amortized Cost:		
STAR Ohio	<u>3,214,003</u>	<u>17.73</u>
Total	<u>\$ 18,117,524</u>	<u>100.00</u>

**F. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,727,390
Investments	18,117,524
Cash on hand	968
Cash in segregated accounts	188,887
Cash with fiscal agent	<u>2,663,109</u>
Total	<u>\$ 24,697,878</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 21,865,616
Custodial funds	<u>2,832,262</u>
Total	<u>\$ 24,697,878</u>



**COSHOCTON COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfer from general fund to:</u>	
Human Services fund	\$ 104,840
Nonmajor governmental	<u>113,304</u>
	<u>218,144</u>
 <u>Transfer from County Board of DD to:</u>	
Nonmajor governmental	<u>735,750</u>
Total transfers	<u>\$ 953,894</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in 2020 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

**B. Due To/From Other Funds**

The County had the following amounts due to/from other funds at December 31, 2020:

Fund	Due from other funds	Due to other funds
General fund	\$ 67,609	\$ -
Human services fund	626,153	59,904
Emergency ambulance levy fund	198,738	-
Nonmajor governmental	<u>26,917</u>	<u>859,513</u>
Total	<u>\$ 919,417</u>	<u>\$ 919,417</u>

Amounts due to/from other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Due to/from other fund balances between governmental funds are eliminated for reporting on the government-wide statement of net position.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS – (Continued)**

**C. Interfund Balances**

Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2020, consist of the following individual fund loan receivable and payable as reported on the fund statements:

Fund	Interfund receivable	Interfund payable
General fund	\$ -	\$ 17,000
Nonmajor governmental	17,000	-
Total	\$ 17,000	\$ 17,000

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing district their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2020 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

The full tax rate for all County operations for the year ended December 31, 2020 was \$16.85 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	\$ 694,291,510
Public utility personal property	<u>104,323,560</u>
Total assessed value	<u>\$ 798,615,070</u>

**NOTE 7 - PERMISSIVE SALES AND USE TAX**

In 1971, the County Commissioners, by resolution, imposed a one-half percent tax on all retail sales made in the County. In 1984, the County Commissioners, by resolution, imposed an additional one-half percent tax on all retail sales made in the County. At the end of 2005, the County Commissioners by resolution imposed a one-half percent tax on all retail sales made in the County for specific use in the Justice System to begin January 1, 2006. The State Tax Commissioner certifies to the Ohio Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The Ohio Office of Budget and Management then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the general fund. Sales tax revenue in 2020 amounted to \$5,974,844 with the entire amount credited to the general fund.

**NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE**

During the current year and during a prior year, the County entered into lease agreements for the acquisition of copiers. The assets have been capitalized in governmental capital assets in the amount of \$91,709, the present value of the minimum lease payments at the inception of the lease. Principal and interest payments for the capital lease obligation are made from the general fund, the County agency coordinated transportation fund (a nonmajor governmental fund), and the sheriff's rotary fund (a nonmajor governmental fund)

<u>Year</u>	<u>Amount</u>
2021	\$ 19,567
2022	14,240
2023	12,328
2024	11,552
2025	<u>7,387</u>
Total minimum lease payments	65,074
Less: amount representing interest	<u>(6,421)</u>
Present value of minimum lease payments	<u>\$ 58,653</u>

**COSHOCTON COUNTY, OHIO**

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

**NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During prior years, the County entered into lease purchase agreements with financial institutions to assist in financing radio equipment, an excavator, a mower, ambulances and dump trucks.

General capital assets acquired by agreement have been capitalized in an amount equal to the present value of the future minimum lease payments as of the date of their inception. For the County, a corresponding liability was recorded in the government-wide financial statements. Principal payments in 2020 totaled \$269,516. Principal and interest payments are made from the general fund, the 911 levy fund (a nonmajor governmental fund), the emergency ambulance levy fund and the motor vehicle and gas tax fund.

Capital assets consisting of machinery and equipment have been capitalized in the amount of \$1,154,126 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. The assets associated with the radio equipment lease have not been capitalized, because individually, the pieces of radio equipment are below the County's capitalization threshold.

The following is a schedule of the future minimum lease payments required under the lease purchase agreement and the present value of the minimum lease payments as of December 31, 2020:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2021	\$ 315,408
2022	315,408
2023	230,206
2024	105,983
2025	68,198
2026 - 2028	<u>75,204</u>
Total minimum lease payments	1,110,407
Less: amount representing interest	<u>(97,884)</u>
Present value of future minimum lease payments	<u>\$ 1,012,523</u>

**NOTE 10 - COMPENSATED ABSENCES**

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. No vacation time shall be carried over for more than three years. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

**NOTE 11 - CONTINGENT LIABILITIES**

The County has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial. At year end, the County was involved in a pending lawsuit as a defendant. However, at December 31, the outcome of the lawsuit is undetermined.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 12 - RECEIVABLES**

Receivables at December 31, 2020, consisted of taxes, accounts, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2020. A summary of the principal items due from other governments:

<u>Fund / Type</u>	<u>Amount</u>
Major funds:	
General fund:	
Local government revenue	\$ 227,002
Casino tax	218,322
Homestead and rollback	104,560
Miscellaneous reimbursements	162,304
	<u>712,188</u>
Human services fund:	
Miscellaneous grants and reimbursements	247,666
	<u>247,666</u>
Motor vehicle license and gasoline tax fund:	
License, gasoline and permissive taxes	2,403,883
Miscellaneous grants and reimbursements	2,042
	<u>2,405,925</u>
County board of DD fund:	
Homestead and rollback	113,978
Miscellaneous grants and reimbursements	86,707
	<u>200,685</u>
Emergency ambulance levy fund:	
Homestead and rollback	113,030
Miscellaneous grants and reimbursements	236
	<u>113,266</u>
Other governmental funds:	
Homestead and rollback	58,440
Miscellaneous grants and reimbursements	891,109
	<u>949,549</u>
Total due from other governments	<u>\$ 4,629,279</u>

**COSHOCTON COUNTY, OHIO**

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

**NOTE 13 - CAPITAL ASSETS**

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

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/20</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,668,740	\$ -	\$ -	\$ 1,668,740
Construction in progress	<u>-</u>	<u>48,463</u>	<u>-</u>	<u>48,463</u>
Total capital assets, not being depreciated	<u>1,668,740</u>	<u>48,463</u>	<u>-</u>	<u>1,717,203</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	15,527,212	409,233	(146,784)	15,789,661
Machinery and equipment	5,512,199	728,398	(273,878)	5,966,719
Vehicles	5,213,040	1,260,790	(1,004,162)	5,469,668
Infrastructure	32,692,556	604,547	-	33,297,103
Software	<u>712,864</u>	<u>7,795</u>	<u>(25,619)</u>	<u>695,040</u>
Total capital assets, being depreciated	<u>59,657,871</u>	<u>3,010,763</u>	<u>(1,450,443)</u>	<u>61,218,191</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(9,476,060)	(389,343)	146,784	(9,718,619)
Machinery and equipment	(3,014,751)	(327,451)	273,293	(3,068,909)
Vehicles	(2,666,849)	(430,947)	813,458	(2,284,338)
Infrastructure	(20,412,373)	(1,129,505)	-	(21,541,878)
Software	<u>(234,334)</u>	<u>(57,793)</u>	<u>14,091</u>	<u>(278,036)</u>
Total accumulated depreciation	<u>(35,804,367)</u>	<u>(2,335,039)</u>	<u>1,247,626</u>	<u>(36,891,780)</u>
Total capital assets, being depreciated net	<u>23,853,504</u>	<u>675,724</u>	<u>(202,817)</u>	<u>24,326,411</u>
Governmental activities capital assets, net	<u>\$ 25,522,244</u>	<u>\$ 724,187</u>	<u>\$ (202,817)</u>	<u>\$ 26,043,614</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
General government:	
Legislative and executive	\$ 269,329
Judicial	79,904
Public safety	167,287
Public works	1,460,366
Health	255,250
Human services	101,775
Conservation and recreation	<u>1,128</u>
Total depreciation expense - governmental activities	<u>\$ 2,335,039</u>

**COSHOCTON COUNTY, OHIO**

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

**NOTE 14 - LONG-TERM OBLIGATIONS**

During 2020, the following changes occurred in governmental activities long-term obligations.

Governmental Activities:	Issue	Maturity	Interest	Balance			Balance	Amount Due
	Date	Date	Rate	12/31/19	Additions	Reductions	12/31/20	in One Year
<u>General obligation bonds:</u>								
<i>Direct borrowings:</i>								
General Obligation								
Taxable Refunding Bonds	2016	12/1/2021		\$ 165,000	\$ -	\$ (80,000)	\$ 85,000	\$ 85,000
Information Technology								
Acquisition Bonds	2015	4/13/2020	2.15%	39,917	-	(39,917)	-	-
Property Acquisition Bonds	2015	4/13/2020	2.15%	37,548	-	(37,548)	-	-
Total general obligation bonds				242,465	-	(157,465)	85,000	85,000
<u>Notes</u>								
<i>Direct borrowings:</i>								
Promissory Note	2019	5/13/2029	3.27%	250,000	-	(16,667)	233,333	16,667
Home Loan Savings Building	2017	5/5/2026	2.50%	231,336	-	(28,917)	202,419	28,917
Total notes				481,336	-	(45,584)	435,752	45,584
<u>Loans:</u>								
<i>Direct borrowing:</i>								
OWDA - Fresno/Pearl								
Sewer Construction	2010	1/1/2041	1.00%	170,342	-	(7,328)	163,014	7,402
Total Loans				170,342	-	(7,328)	163,014	7,402
<u>Other long-term obligations:</u>								
Capital Leases				29,352	44,982	(15,681)	58,653	16,980
Lease Purchase Agreements				1,282,039	-	(269,516)	1,012,523	279,143
Net Pension Liability				30,311,725	45,780	(7,448,061)	22,909,444	-
Net OPEB Liability				13,890,154	1,367,851	-	15,258,005	-
Compensated Absences				1,363,729	1,214,952	(1,037,989)	1,540,692	1,227,991
Total Other Long-Term Obligations				46,876,999	2,673,565	(8,771,247)	40,779,317	1,524,114
Total general long-term obligations				\$ 47,771,142	\$ 2,673,565	\$ (8,981,624)	\$ 41,463,083	\$ 1,662,100

The general obligation bonds are direct obligations of the County and will be paid from the debt service funds (nonmajor governmental funds) and the motor vehicle license and gasoline tax fund using property tax revenues and gasoline tax revenues.

On April 6, 2016, the County issued \$395,000 in general obligation refunding bonds- Series 2016 for the purpose of refunding general obligation bonds - Series 2016. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding bonds are comprised of terms bonds, par value \$395,000. The bonds bear an interest rate of 2.780%. Principal and interest payments are made from the County debt service fund (a nonmajor governmental fund) and are due on December 1 and June 1 of each year. The bonds mature on December 1, 2021. These bonds are a direct borrowing that has terms negotiated between the County and the creditor.

The reacquisition price exceeded the net carrying amount of old debt by \$24,475. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

## COSHOCTON COUNTY, OHIO

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

#### NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

On April 13, 2015, the County issued \$191,357 in information technology acquisition bonds - series 2015 for the purpose of acquiring information technology. These bonds bared an interest rate of 2.15%. Principal and interest payments were made from the County general fund and were due on April 13 of each year. The bonds matured on April 13, 2020. These bonds were a direct borrowing that had terms negotiated between the County and the creditor.

On April 13, 2015, the County issued \$180,000 in real estate acquisition bonds - series 2015 for the purpose of acquiring real estate. The bonds bared an interest rate of 2.15%. Principal and interest payments were made from the County debt service fund (a nonmajor governmental fund) and were due on April 13 of each year. The bonds matured on April 13, 2020. These bonds were a direct borrowing that had terms negotiated between the County and the creditor.

On May 21, 2014, the County signed a \$407,600 promissory note for the purpose of building renovations. This note was paid from the general fund. This note is a direct borrowing that has terms negotiated between the County and the creditor.

On May 13, 2019, the County signed a \$250,000 promissory note for the purpose of refunding the commissioners building renovations note that was issued in 2014. This note will be paid from the general fund. This note is a direct borrowing that has terms negotiated between the County and the creditor.

On May 5, 2017, the County signed a \$289,170 promissory note for purchase of a building. This note will be paid from the general fund. The note has an interest rate of 2.50% and matures on May 5, 2026. This note is a direct borrowing that has terms negotiated between the County and the creditor.

The County has entered into a contractual agreement for a construction loan from the OWDA. Under the terms of this agreement, OWDA will reimburse, advance, or directly pay the construction costs of the approved projects. OWDA will capitalize administration costs and construction interest and then add them to the total amounts of the final loan. At December 31, 2020, the balance of the County's OWDA loan is \$163,014. The Ohio Water Development Authority (OWDA) loan will be paid from the debt service funds (nonmajor governmental funds) using user fees and property tax revenues. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences will be paid from the fund from which the employees' salaries are paid, which, for the County, is primarily the general fund, the human services fund, the motor vehicle license and gasoline tax fund and the county board of DD fund.

Refer to Notes 8 and 9 for detail on the capital leases and lease purchase agreement, respectively.

Refer to Notes 17 and 18 for detail on the net pension liability and net OPEB liability. The County pays obligations related to employee compensation from the fund benefitting from their service.



**COSHOCTON COUNTY, OHIO**

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

**NOTE 14 - LONG TERM OBLIGATIONS - (Continued)**

The annual requirements to retire governmental activities debt are as follows.

Year Ending December 31,	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2021	\$ 85,000	\$ 2,363	\$ 7,402	\$ 1,612
2022	-	-	7,476	1,537
2023	-	-	7,551	1,463
2024	-	-	7,626	1,387
2025	-	-	7,703	1,310
2026 - 2030	-	-	39,688	5,378
2031 - 2035	-	-	41,718	3,348
2036 - 2040	-	-	43,850	1,215
<b>Total</b>	<b>\$ 85,000</b>	<b>\$ 2,363</b>	<b>\$ 163,014</b>	<b>\$ 17,250</b>

Year Ending December 31,	Notes Payable		Total	
	Principal	Interest	Principal	Interest
2021	\$ 45,584	\$ 12,866	\$ 137,986	\$ 16,841
2022	45,584	11,581	53,060	13,118
2023	45,584	10,296	53,135	11,759
2024	45,584	9,035	53,210	10,422
2025	45,584	7,725	53,287	9,035
2026 - 2030	207,832	18,787	247,520	24,165
2031 - 2035	-	-	41,718	3,348
2036 - 2040	-	-	43,850	1,215
<b>Total</b>	<b>\$ 435,752</b>	<b>\$ 70,290</b>	<b>\$ 683,766</b>	<b>\$ 89,903</b>

Legal Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$18,388,824 at December 31, 2020 and the unvoted legal debt margin was \$7,986,151 at December 31, 2020.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 15 – SHORT TERM OBLIGATIONS**

On February 19, 2020, the County issued \$150,000 in real estate acquisition bonds, series 2020 for the purpose of acquiring real property. These bonds bared an interest rate of 2.49%. Principal and interest payments were made from the County general fund. The stated maturity of the bonds was February 19, 2021, however they were paid in their entirety on October 21, 2020. These bonds were a direct borrowing that had terms negotiated between the County and the creditor.

**NOTE 16 - RISK MANAGEMENT**

**A. General Insurance**

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-six counties and thirty-two affiliated county public entity members in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include liability, property and crime insurance.

By contracting with the CORSA for liability, property, and crime insurance, the County has addressed these various types of risk. CORSA, a nonprofit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime coverage for its members. CORSA was established May 12, 1987 and has grown to sixty-six members.

The CORSA program has a \$2,500 deductible per claim. Coverage provided by CORSA is as follows:

Cyber liability and expense	\$4,000,000
Automobile liability	1,000,000
Uninsured/underinsured motorists liability	250,000
Excess liability	5,000,000
Stop gap liability	1,000,000
Medical professional liability	1,000,000
Foster parents	6,000,000
Accounts receivable	1,000,000
Property - total covered value	97,012,362
Other property insurance:	
Extra expense/business income	2,500,000
Electronic Data Processing (EDP):	
Media -per occurrence	250,000
Extra Expense - per occurrence	250,000
Sewer line coverage	2,539,620
Underground fiber optic lines	10,000
Law enforcement canines	25,000
Equipment breakdown	100,000,000
Crime insurance	1,000,000
Other coverage	
Attorney Disciplinary Proceedings	25,000
Dog Warden Blanket Bond	2,000

**COSHOCTON COUNTY, OHIO**

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

**NOTE 16 - RISK MANAGEMENT - (Continued)**

With the exception of workers' compensation and health insurance all coverage is held with CORSA. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**B. Workers' Compensation**

The County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retro Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. Performance discounts are given to pool members based on experience. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**C. Health Care Self-Insurance**

The County maintains a Self-Insurance Internal Service Fund to account for, and finance, its uninsured risks of loss in this program. Effective January 1, 2020 a Third Party Administrator, Aetna, Harford, CT., began reviewing all claims as well as Mutual Health Systems reviewing runout claims which are then paid by the County. For January 1, 2020, the plan provided 3 different options for coverage for eligible County employees. The first option being Plan A – Buyup a major medical with a \$1,000 individual and \$2,000 family deductible and a Preferred Provider Network (PPO) with a \$500 individual and a \$1,000 family deductible. The second option being Plan B - Core a major medical with a \$2,000 individual deductible and a \$4,000 family deductible and a Preferred Provider Network (PPO) with a \$1,000 individual and a \$2,000 family deductible. The third option being a Plan C - Health Savings Account (HSA) major medical with a \$5,000 individual deductible and a \$10,000 family deductible and a Preferred Provider Network (PPO) with a \$2,700 deductible and a \$5,400 family deductible. The County purchases stop-loss coverage of \$90,000 per employee per year and an aggregate annual limit of \$1,000,000. For the period January 1, 2020 through December 31, 2020 the County provided three options for employees to choose from. Plan A- Buyup - \$2,080 family coverage, \$708 single, Employee + Spouse \$1,514 and Employee + child/children \$1,253. For Plan B – Core - \$1,901 family coverage, \$647 single coverage, \$1,386 Employee + spouse and \$1,149 employee + child/children. Plan C – HSA - \$1,875 family coverage, \$638 single, \$1,368 employee + spouse and \$1,135 employee + child/children coverage which represents the entire premium required.

The claims liability of \$126,455 reported in the fund at December 31, 2020, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount for 2020 and 2019 were:

		Balance at		Current		Claim		Balance at
		<u>Beginning of Year</u>		<u>Year Claims</u>		<u>Payments</u>		<u>End of Year</u>
2020	\$	159,632	\$	3,250,623	\$	(3,283,800)	\$	126,455
2019		318,069		2,761,869		(2,920,306)		159,632

**COSHOCTON COUNTY, OHIO**

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

**NOTE 16 - RISK MANAGEMENT - (Continued)**

**D. County Board of Developmental Disabilities Self-Insurance**

The Board of DD is self-insured for its medical, prescription drug, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Board of DD is a member of the Jefferson Health Plan, a claims servicing pool, consisting of ninety members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Board of DD's behalf. This plan provides a dental plan with a \$84.97 family and single premium, a medical plan with a \$1,966.02 family and \$977.44 single premium, a prescription drug plan with a \$418.03 family and \$190.24 single premium and a vision plan with a \$27.01 family and \$12.11 single premium. The Board of DD pays the entire premium. The Board of DD is responsible for payment of all medical, prescription, vision and dental claim amounts in excess of the employee payment percentages established in the Plan document. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$500,000. Claims above a \$50,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss.

The claims liability of \$261,615 reported in the fund at December 31, 2020, was estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount for 2020 and 2019 were:

		<u>Balance at</u>		<u>Current</u>		<u>Claim</u>		<u>Balance at</u>
		<u>Beginning of Year</u>		<u>Year Claims</u>		<u>Payments</u>		<u>End of Year</u>
2020	\$	209,615	\$	1,282,508	\$	(1,230,508)	\$	261,615
2019		125,531		1,284,516		(1,200,432)		209,615

**NOTE 17 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Asset and Net OPEB Liability/Asset***

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

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

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

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

The remainder of this note includes the pension disclosures. See Note 18 for the OPEB disclosures.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee *	10.0 %	***
<b>2020 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0 %</u>	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

- \* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- \*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance
- \*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,382,894 for 2020. Of this amount, \$275,860 is reported as due to other governments.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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



**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$52,255 for 2020. Of this amount, \$2,088 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.11547300%	0.11649300%	0.06535100%	0.00281976%	
Proportion of the net pension liability/asset current measurement date	<u>0.11562300%</u>	<u>0.10144200%</u>	<u>0.07345000%</u>	<u>0.00276633%</u>	
Change in proportionate share	<u>0.00015000%</u>	<u>-0.01505100%</u>	<u>0.00809900%</u>	<u>-0.00005343%</u>	
Proportionate share of the net pension liability	\$ 22,240,091	\$ -	\$ -	\$ 669,353	\$ 22,909,444
Proportionate share of the net pension asset	-	(205,852)	(2,701)	-	(208,553)
Pension expense	4,248,556	33,289	37,779	64,216	4,383,840

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ -	\$ -	\$ 9,029	\$ 1,500	\$ 10,529
Net difference between projected and actual earnings on pension plan investments	-	-	-	32,552	32,552
Changes of assumptions	1,187,882	21,225	438	35,933	1,245,478
Changes in employer's proportionate percentage/difference between employer contributions	157,781	-	-	16,141	173,922
Contributions subsequent to the measurement date	2,275,455	67,268	40,171	24,207	2,407,101
Total deferred outflows of resources	<u>\$ 3,621,118</u>	<u>\$ 88,493</u>	<u>\$ 49,638</u>	<u>\$ 110,333</u>	<u>\$ 3,869,582</u>

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 281,194	\$ 48,328	\$ -	\$ 4,280	\$ 333,802
Net difference between projected and actual earnings on pension plan investments	4,436,399	26,699	850	-	4,463,948
Changes in employer's proportionate percentage/difference between employer contributions	98,531	-	-	9,824	108,355
Total deferred inflows of resources	<u>\$ 4,816,124</u>	<u>\$ 75,027</u>	<u>\$ 850</u>	<u>\$ 14,104</u>	<u>\$ 4,906,105</u>

\$2,407,101 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 and increase in the net pension asset in the year ending December 31, 2021.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2021	\$ (516,169)	\$ (13,118)	\$ 1,065	\$ 23,451	\$ (504,771)
2022	(1,376,461)	(12,617)	1,082	16,413	(1,371,583)
2023	183,710	(5,172)	1,298	18,716	198,552
2024	(1,761,541)	(14,947)	967	13,442	(1,762,079)
2025	-	(2,789)	1,160	-	(1,629)
Thereafter	-	(5,159)	3,045	-	(2,114)
<b>Total</b>	<b>\$ (3,470,461)</b>	<b>\$ (53,802)</b>	<b>\$ 8,617</b>	<b>\$ 72,022</b>	<b>\$ (3,443,624)</b>

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates 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 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	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 36,681,107	\$ 22,240,091	\$ 9,258,041
Combined Plan	(124,385)	(205,852)	(264,565)
Member-Directed Plan	(1,430)	(2,701)	(3,574)

**Actuarial Assumptions - State Teachers Retirement System (STRS)**

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2020.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increase	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017

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

**COSHOCTON COUNTY, OHIO**

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

**NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquid reserves	1.00	2.25
Total	100.00 %	

\*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability:	\$ 953,043	\$ 669,353	\$ 428,950

## COSHOCTON COUNTY, OHIO

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

#### NOTE 18 - DEFINED BENEFIT OPEB PLANS

##### *Net OPEB Liability/Asset*

See Note 17 for a description of the net OPEB liability.

##### *Plan Description - Ohio Public Employees Retirement System (OPERS)*

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The County's contractually required contribution was \$16,069 for 2020. Of this amount, \$1,724 is reported as due to other governments.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For 2020, STRS did not allocate any employer contributions to post-employment health care.

***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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 payment, and interest accruals during the year. STRS's total OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset 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	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.11349200%	0.00281976%	
Proportion of the net OPEB liability current measurement date	<u>0.11351200%</u>	<u>0.00276633%</u>	
Change in proportionate share	<u>0.00002000%</u>	<u>-0.00005343%</u>	
Proportionate share of the net OPEB liability	\$ 15,258,005	\$ -	\$ 15,258,005
Proportionate share of the net OPEB asset	\$ -	\$ (48,618)	\$ (48,618)
OPEB expense	\$ 1,905,811	\$ (1,826)	\$ 1,903,985



**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 410	\$ 3,117	\$ 3,527
Net difference between projected and actual earnings on OPEB plan investments	-	1,703	1,703
Changes of assumptions	2,415,180	802	2,415,982
Changes in employer's proportionate percentage/difference between employer contributions	76,371	3,381	79,752
Contributions subsequent to the measurement date	16,069	-	16,069
Total deferred outflows of resources	<u>\$ 2,508,030</u>	<u>\$ 9,003</u>	<u>\$ 2,517,033</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,395,415	\$ 9,684	\$ 1,405,099
Net difference between projected and actual earnings on OPEB plan investments	776,933	-	776,933
Changes of assumptions	-	46,181	46,181
Changes in employer's proportionate percentage/difference between employer contributions	64,560	308	64,868
Total deferred inflows of resources	<u>\$ 2,236,908</u>	<u>\$ 56,173</u>	<u>\$ 2,293,081</u>

\$16,069 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Other 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:	OPERS	STRS	Total
2021	\$ 376,122	\$ (11,763)	\$ 364,359
2022	210,303	(10,609)	199,694
2023	618	(10,207)	(9,589)
2024	(331,990)	(9,950)	(341,940)
2025	-	(2,239)	(2,239)
Thereafter	-	(2,402)	(2,402)
<b>Total</b>	<b>\$ 255,053</b>	<b>\$ (47,170)</b>	<b>\$ 207,883</b>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

## COSHOCTON COUNTY, OHIO

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

#### **NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	14.00	4.90
Total	100.00 %	4.55 %

**Discount Rate** - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the 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%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB liability	\$ 19,967,547	\$ 15,258,005	\$ 11,487,194

**Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 14,807,754	\$ 15,258,005	\$ 15,702,516

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions - State Teachers Retirement System (STRS)***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	<u>July 1, 2020</u>		<u>July 1, 2019</u>	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**Assumption Changes Since the Prior Measurement Date** - There were no changes in assumptions since the prior measurement date of June 30, 2019.

**Benefit Term Changes Since the Prior Measurement Date** - There was no change to the claims costs process. Claim curves were updated to reflect the projected June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

\* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate* - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 42,301	\$ 48,618	\$ 53,978

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$ 53,645	\$ 48,618	\$ 42,494

**NOTE 19 - RELATED PARTY TRANSACTIONS**

Coshocton County Airport authority is a component unit of Coshocton County. During 2020, the County Airport Authority received an operating transfer from the County in the amount of \$30,000.

Additionally, the County pays salary and fringe benefits for Airport Authority employees, with the exception of the Airport Authority's Secretary – Treasurer. During 2020, The County paid Airport Authority employees' salaries and fringe benefits of \$117,819. The Airport Authority obtains federal grants that have matching requirements of 10%, depending on the grant. Matching requirements are made from non-federal revenue sources. The County pays part of the local matching requirement of the Airport Authority grants. During 2020, The County paid \$10,814 to Airport Authority vendors to make the local matching requirements.

**NOTE 20 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, the human services fund, the motor vehicle license and gasoline tax fund, the county board of DD fund and the emergency ambulance levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**COSHOCTON COUNTY, OHIO**

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

**NOTE 20 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>	<u>Emergency Ambulance Levy</u>
Budget basis	\$ 353,146	\$ (127,693)	\$ 392,631	\$ 252,107	\$ 320,355
Net adjustment for revenue accruals	524,842	(277,096)	(5,670)	113,015	(44,786)
Net adjustment for expenditure accruals	30,153	615,563	(60,446)	(634,877)	152,059
Net adjustment for other sources/uses	(259,930)	(8,554)	(41,102)	(91,910)	-
Funds budgeted elsewhere	93,448	-	-	-	-
Adjustment for encumbrances	<u>362,816</u>	<u>137,904</u>	<u>163,797</u>	<u>152,255</u>	<u>137,710</u>
GAAP basis	<u>\$ 1,104,475</u>	<u>\$ 340,124</u>	<u>\$ 449,210</u>	<u>\$ (209,410)</u>	<u>\$ 565,338</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the county recorder equipment fund, the certificate of title administration fund, the unclaimed monies fund, the foreclosure unclaimed monies fund, Medicaid sales tax transition fund and the payroll clearing accounts.



**COSHOCTON COUNTY, OHIO**

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

**NOTE 21 - FUND BALANCE**

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

Fund balance	General	Human Services	Motor Vehicle and Gas Tax Fund	County Board of DD Fund	Emergency Ambulance Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Prepayments	\$ 259,140	\$ 4,973	\$ -	\$ -	\$ -	\$ 2,400	\$ 266,513
Materials and supplies inventory	68,211	2,972	241,853	2,289	71,059	17,927	404,311
Unclaimed monies	92,637	-	-	-	-	-	92,637
<b>Total nonspendable</b>	<b>419,988</b>	<b>7,945</b>	<b>241,853</b>	<b>2,289</b>	<b>71,059</b>	<b>20,327</b>	<b>763,461</b>
<b>Restricted:</b>							
Capital projects	-	-	-	-	-	1,494,221	1,494,221
Debt service	-	-	-	-	-	8,447	8,447
Public works	-	-	3,025,993	-	-	169,626	3,195,619
Human services	-	28,279	-	-	-	217,122	245,401
Health	-	-	-	4,981,511	-	258,989	5,240,500
General government operations	-	-	-	-	-	966,361	966,361
Public safety programs	-	-	-	-	-	990,726	990,726
Other purposes	-	-	-	-	-	46,556	46,556
<b>Total restricted</b>	<b>-</b>	<b>28,279</b>	<b>3,025,993</b>	<b>4,981,511</b>	<b>-</b>	<b>4,152,048</b>	<b>12,187,831</b>
<b>Committed:</b>							
Human services	-	-	-	-	-	454,436	454,436
Health	-	-	-	-	1,406,868	-	1,406,868
Public safety programs	-	-	-	-	-	248,467	248,467
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,406,868</b>	<b>702,903</b>	<b>2,109,771</b>
<b>Assigned:</b>							
Human services	12,495	-	-	-	-	-	12,495
General government operations	143,022	-	-	-	-	-	143,022
Public safety programs	94,643	-	-	-	-	-	94,643
Capital outlay	1,454	-	-	-	-	-	1,454
Public health and welfare	11,878	-	-	-	-	-	11,878
Subsequent year appropriations	3,918,552	-	-	-	-	-	3,918,552
<b>Total assigned</b>	<b>4,182,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,182,044</b>
Unassigned (deficit)	1,473,808	-	-	-	-	(374,695)	1,099,113
<b>Total fund balances</b>	<b>\$ 6,075,840</b>	<b>\$ 36,224</b>	<b>\$ 3,267,846</b>	<b>\$ 4,983,800</b>	<b>\$ 1,477,927</b>	<b>\$ 4,500,583</b>	<b>\$ 20,342,220</b>

**COSHOCTON COUNTY, OHIO**

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

**NOTE 22 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year - End Encumbrances</u>
General	\$ 263,492
Human services	54,281
Motor vehicle and gas tax	124,359
County board of DD	144,663
Emergency ambulance levy	98,281
Other governmental	<u>479,974</u>
 Total	 <u>\$ 1,165,050</u>

**NOTE 23 - TAX ABATEMENTS**

As of December 31, 2020, the County provides tax abatements through an Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

The County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program. During 2020, the County’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>County Taxes Abated</u>
Ezone	\$ <u>25,094</u>
Total	\$ <u><u>25,094</u></u>

## COSHOCTON COUNTY, OHIO

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

#### NOTE 24 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT

##### A. Reporting Entity

The Coshocton County Regional Airport Authority, Coshocton County, (the Airport) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a five member Board, with a majority of the Board appointed by the Coshocton County Commissioners. The Board has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. Since the Airport imposes a financial burden on the County, the Airport is reflected as a component unit of Coshocton County. The Airport has a December 31 year end.

##### B. Summary of Significant Accounting Policies

The Airport reports its operations as a single enterprise fund. Enterprise accounting is used to report any activity for which a fee is charged to external users for goods or services.

###### 1. *Measurement Focus and Basis of Accounting*

The Airport's fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Airport used the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred.

###### 2. *Cash*

Cash received by the Airport is maintained in three separate checking accounts. Separate checking accounts are used to track cash activity related to the Airport's general fund, Federal Aviation Administration (FAA) federal grant activity, and special events, respectively. The Airport has no investments.

###### 3. *Capital Assets*

Capital assets at the Airport are capitalized. All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their acquisition values as of the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fund capital assets.

COSHOCTON COUNTY, OHIO

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

**NOTE 24 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT  
(Continued)**

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Furniture and Equipment	8 - 15 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years

4. *Estimates*

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

5. *Inventories*

Inventories are presented at cost on a first in, first out basis and are expensed when resold. Inventories held for resale primarily consist of fuel.

**C. Change in Accounting Principles**

For 2020, the Airport has implemented GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**D. Deposits and Investments**

At year end, the carrying amount of the Airport's deposits was \$134,103 and the bank balance was \$134,267. The entire bank balance was covered by Federal Deposit Insurance Corporation. The Airport has no investments. The Airport also had \$300 in cash on hand.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 24 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT  
(Continued)**

**E. Capital Assets**

	Balance 12/31/19	Additions	Deductions	Balance 12/31/20
<i>Capital assets, not being depreciated:</i>				
Land	\$ 189,296	\$ -	\$ -	\$ 189,296
Construction in progress	541,673	-	(541,673)	-
Total capital assets, not being depreciated	<u>730,969</u>	<u>-</u>	<u>(541,673)</u>	<u>189,296</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	675,000	-	-	675,000
Infrastructure	4,930,844	854,217	-	5,785,061
Vehicles	14,394	-	(14,394)	-
Furniture and equipment	449,688	-	-	449,688
Total cost	<u>6,069,926</u>	<u>854,217</u>	<u>(14,394)</u>	<u>6,909,749</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(306,250)	(11,250)	-	(317,500)
Infrastructure	(2,655,757)	(216,356)	-	(2,872,113)
Vehicles	(14,394)	-	14,394	-
Furniture and equipment	(325,452)	(20,820)	-	(346,272)
Total accumulated depreciation	<u>(3,301,853)</u>	<u>(248,426)</u>	<u>14,394</u>	<u>(3,535,885)</u>
Total capital assets, being depreciated net	<u>2,768,073</u>	<u>605,791</u>	<u>-</u>	<u>3,373,864</u>
Total capital assets, net	<u>\$ 3,499,042</u>	<u>\$ 605,791</u>	<u>\$ (541,673)</u>	<u>\$ 3,563,160</u>

**F. Subsequent Event**

The Airport was approved a \$2.117 million grant as part of the Abandoned Mine Land Economic Revitalization (AMLER) project in conjunction with the Ohio Department of Natural Resources (ODNR) Division of Mineral Resources Management (MRM). This project will be used to reclaim abandoned mine land and construct a multipurpose aircraft hangar.

**NOTE 25 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT**

**Description of the Corporation**

The Coshocton County Land Reutilization Corporation (the "Corporation") is a county land reutilization corporation that was formed on August 17, 2020 when the Coshocton County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing vacant, abandoned, tax-foreclosed or other real property throughout Coshocton County (the "County"). The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

## COSHOCTON COUNTY, OHIO

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

#### **NOTE 25 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)**

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

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

#### **Summary of Significant Accounting Policies**

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

The Corporation's significant accounting policies are described below.

#### *Basis of Presentation*

The Corporation's basic financial statements include a statement of net position and a statement of activities. The statement of net position and the statement of activities display information about the Corporation as a whole.

The statement of net position presents the financial condition of the Corporation at year-end. The statement of activities presents a comparison between the expenses and program revenues for each program or function of the Corporation's governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 25 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT -  
(Continued)**

*Measurement Focus*

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

*Basis of Accounting*

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

On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time they are incurred.

*Budgetary Process*

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

*Federal Income Tax*

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

*Cash and Cash Equivalents*

The Corporation had no deposits or investments at year end.

*Assets Held for Resale*

Assets held for resale represent properties purchased by or donated to the Corporation. All properties are recorded at the estimated net realizable value. The Corporation holds the properties until the home is either sold to a new owner, sold to an individual who will rehabilitate or the structure on the property is demolished. Properties with demolished structures could be transferred to the city or township they are in after demolition; parcels may be merged with adjacent parcels for development or green space projects; or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

*Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. There were no payables at December 31, 2020.

*Net Position*

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2020.

**COSHOCTON COUNTY, OHIO**

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

**NOTE 25 - COSHOCTON COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT -  
(Continued)**

**Deposits and Investments**

*Deposits with Financial Institutions*

At December 31, 2020, the Corporation had no deposits or bank balances.

**Risk Management**

*Property and Liability*

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Corporation was covered by the County's insurance policy.

**Transactions with Coshocotn County**

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Coshocotn County Board of Commissioners to receive 5.00% of all collections of delinquent real property and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the Corporation to fund operations. The Corporation will begin receiving this funding in 2021.

During 2020, Coshocotn County donated various parcels of land to the Corporation. The Corporation will attempt to sell these parcels to a buyer. The property is valued at \$116,360 and is recorded as "contributions and donations".

**NOTE 26 - LITIGATION**

Several lawsuits are pending with the County. However, the County is not party to any legal proceedings that would, in the County's opinion, have a material effect on the basic financial statements.

**NOTE 27 - 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 will impact subsequent periods of the County. The County's investment portfolio and the pension and other employee benefits plan in which the County participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

During 2020, the County received CARES Act funding. The Coshocotn County Auditor's Office was responsible for distributing the allocations to the subdivisions including the County's share. A total of \$4,230,541 was distributed to the subdivisions, including the County's share of \$2,251,701.

On June 7, 2021, the County received half of their current allocation from the American Rescue Plan Act of \$7,109,121. The full allocation is intended to benefit only the County. The County is currently planning on using approximately \$5 million of this grant for broadband development in the County.



**COSHOCTON COUNTY, OHIO**

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

**NOTE 28 - SUBSEQUENT EVENTS**

On June 28, 2021, the County approved the Asset Purchase Agreement that authorized the conveyance of ownership of the Coshocton County Pearl-Fresno Sewer System to the Village of West Lafayette. Along with the transfer of ownership of certain County land and infrastructure, the Village of West Lafayette will assume \$159,322 in debt, not including interest, due to the Ohio Water Development Authority.

On August 2, 2021, the County voters approved a 0.5% sales tax levy on the November 2, 2021. The proceeds of the levy will be used for the construction of a new jail. The new sales tax levy is estimated to generate \$1.4 million annually. The new jail is estimated to cost \$28 million.

On August 21, 2021, the county auctioned over 406 acres of land for \$4,300,000.

On December 6, 2021, the County Commissioners approved issuing \$2,500,000 in notes to construct a new building for the Coshocton County Emergency Medical Services.

On December 6, 2021, the County Commissioners approved issuing \$7,500,000 in notes to construct a new jail.

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REQUIRED SUPPLEMENTARY INFORMATION

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.115623%	0.115473%	0.117088%	0.114872%
County's proportionate share of the net pension liability	\$ 22,240,091	\$ 29,688,152	\$ 17,748,319	\$ 25,393,424
County's covered payroll	\$ 14,999,298	\$ 14,387,989	\$ 15,199,868	\$ 15,527,875
County's proportionate share of the net pension liability as a percentage of its covered payroll	148.27%	206.34%	116.77%	163.53%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.101442%	0.116493%	0.115052%	0.107132%
County's proportionate share of the net pension asset	\$ 205,852	\$ 122,284	\$ 151,332	\$ 58,044
County's covered payroll	\$ 423,907	\$ 481,400	\$ 458,692	\$ 402,633
County's proportionate share of the net pension asset as a percentage of its covered payroll	48.56%	25.40%	32.99%	14.42%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.073450%	0.065351%	0.068967%	0.069012%
County's proportionate share of the net pension asset	\$ 2,701	\$ 1,398	\$ 2,326	\$ 279
County's covered payroll	\$ 409,860	\$ 360,950	\$ 367,280	\$ 429,900
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.66%	0.39%	0.63%	0.06%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.45%	103.40%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2016</b>	<b>2015</b>	<b>2014</b>
0.120146%	0.119920%	0.119920%
\$ 20,254,366	\$ 14,069,900	\$ 13,752,108
\$ 14,691,942	\$ 14,951,925	\$ 14,388,777
137.86%	94.10%	95.58%
81.08%	86.45%	86.36%
0.084810%	0.089523%	0.089523%
\$ 40,167	\$ 33,530	\$ 9,138
\$ 314,325	\$ 327,242	\$ 331,946
12.78%	10.25%	2.75%
116.90%	114.83%	104.56%
0.061383%	n/a	n/a
\$ 228	n/a	n/a
\$ 406,310	n/a	n/a
0.06%	n/a	n/a
103.91%	n/a	n/a

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.00276633%	0.00281976%	0.00278605%	0.00265062%
County's proportionate share of the net pension liability	\$ 669,353	\$ 623,573	\$ 612,590	\$ 629,660
County's covered-employee payroll	\$ 369,800	\$ 352,879	\$ 334,714	\$ 323,957
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.00%	176.71%	183.02%	194.37%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.30%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.00274362%	0.00267909%	0.00289660%
\$ 918,372	\$ 740,422	\$ 704,553
\$ 293,443	\$ 263,736	\$ 332,985
312.96%	280.74%	211.59%
66.80%	72.10%	74.70%

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,275,455	\$ 2,318,200	\$ 2,108,656	\$ 2,066,950
Contributions in relation to the contractually required contribution	<u>(2,275,455)</u>	<u>(2,318,200)</u>	<u>(2,108,656)</u>	<u>(2,066,950)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 15,560,871	\$ 14,999,298	\$ 14,387,989	\$ 15,199,868
Contributions as a percentage of covered payroll	14.62%	15.45%	14.65%	13.59%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 67,268	\$ 59,347	\$ 67,396	\$ 59,630
Contributions in relation to the contractually required contribution	<u>(67,268)</u>	<u>(59,347)</u>	<u>(67,396)</u>	<u>(59,630)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 480,486	\$ 423,907	\$ 481,400	\$ 458,692
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 40,171	\$ 40,986	\$ 36,095	\$ 36,728
Contributions in relation to the contractually required contribution	<u>(40,171)</u>	<u>(40,986)</u>	<u>(36,095)</u>	<u>(36,728)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 401,710	\$ 409,860	\$ 360,950	\$ 367,280
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,863,345	\$ 1,763,033	\$ 1,794,231	\$ 1,870,541	\$ 1,439,849	\$ 1,387,333
<u>(1,863,345)</u>	<u>(1,763,033)</u>	<u>(1,794,231)</u>	<u>(1,870,541)</u>	<u>(1,439,849)</u>	<u>(1,387,333)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,527,875	\$ 14,691,942	\$ 14,951,925	\$ 14,388,777	\$ 14,398,490	\$ 13,873,330
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 48,316	\$ 37,719	\$ 39,269	\$ 43,153	\$ 24,081	\$ 21,493
<u>(48,316)</u>	<u>(37,719)</u>	<u>(39,269)</u>	<u>(43,153)</u>	<u>(24,081)</u>	<u>(21,493)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 402,633	\$ 314,325	\$ 327,242	\$ 331,946	\$ 302,906	\$ 270,352
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 42,990	\$ 40,631	\$ -	\$ -	\$ -	\$ -
<u>(42,990)</u>	<u>(40,631)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 429,900	\$ 406,310	\$ -	\$ -	\$ -	\$ -
10.00%	10.00%	-	-	-	-

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 52,255	\$ 51,772	\$ 49,403	\$ 46,860
Contributions in relation to the contractually required contribution	<u>(52,255)</u>	<u>(51,772)</u>	<u>(49,403)</u>	<u>(46,860)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 373,250	\$ 369,800	\$ 352,879	\$ 334,714
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 45,354	\$ 41,082	\$ 36,923	\$ 43,288	\$ 36,583	\$ 38,752
<u>(45,354)</u>	<u>(41,082)</u>	<u>(36,923)</u>	<u>(43,288)</u>	<u>(36,583)</u>	<u>(38,752)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985	\$ 281,408	\$ 298,092
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.113512%	0.113492%	0.114970%	0.112186%
County's proportionate share of the net OPEB liability	\$ 15,258,005	\$ 13,890,154	\$ 12,063,143	\$ 11,030,918
County's covered payroll	\$ 15,833,065	\$ 15,230,339	\$ 16,025,840	\$ 16,360,408
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	96.37%	91.20%	75.27%	67.42%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability/asset	0.00276633%	0.00281976%	0.00278605%	0.00265062%
County's proportionate share of the net OPEB liability (asset)	\$ (48,618)	\$ (46,702)	\$ (45,000)	\$ 103,417
County's covered-employee payroll	\$ 369,800	\$ 352,879	\$ 334,714	\$ 323,957
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(13.15%)	(13.23%)	(13.44%)	31.92%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.13%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 16,069	\$ 16,394	\$ 14,438	\$ 171,277
Contributions in relation to the contractually required contribution	<u>(16,069)</u>	<u>(16,394)</u>	<u>(14,438)</u>	<u>(171,277)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,443,067	\$ 15,833,065	\$ 15,230,339	\$ 16,025,840
Contributions as a percentage of covered payroll	0.10%	0.10%	0.09%	1.07%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 319,670	\$ 285,313	\$ 296,762	\$ 140,955	\$ 562,686	\$ 537,490
<u>(319,670)</u>	<u>(285,313)</u>	<u>(296,762)</u>	<u>(140,955)</u>	<u>(562,686)</u>	<u>(537,490)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,360,408	\$ 15,412,577	\$ 15,279,167	\$ 14,720,723	\$ 14,701,396	\$ 14,143,682
1.95%	1.85%	1.94%	0.96%	3.83%	3.80%

**COSHOCTON COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 373,250	\$ 369,800	\$ 352,879	\$ 334,714
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 2,840	\$ 3,330	\$ 2,814	\$ 2,981
-	-	(2,840)	(3,330)	(2,814)	(2,981)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985	\$ 281,408	\$ 298,092
0.00%	0.00%	1.08%	1.00%	1.00%	1.00%

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms*: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018-2020.

*Changes in assumptions*: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018-2020.

(Continued)

COSHOCTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% down to 3.16%, (b) the municipal bond rate was decreased from 3.71% down to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms* : For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For 2020, There was no change to the claims costs process. Claim curves were updated to reflect the projected June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate.

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COSHOCTON COUNTY

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

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Pass Through to Subrecipients	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed through the Ohio Department of Job and Family Services:</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
FAET Operating	10.561	G-2021-11-5913	\$0	\$8,257
FAET 100%	10.561	G-2021-11-5913	0	16,194
Income Maintenance Food Assistance	10.561	G-2021-11-5913	0	328,628
Total SNAP Cluster			0	353,079
<b>Total U.S. Department of Agriculture</b>			<b>0</b>	<b>353,079</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed through the Ohio Department of Development:</i>				
Community Development Block Grants/State's Program:				
Community Development Block Grants/State's Program	14.228	B-X-17-1AP-1	0	5,712
Community Development Block Grants/State's Program	14.228	B-X-18-1AP-1	0	485,998
Community Development Block Grants/State's Program	14.228	B-C-19-1AP-1	0	101,316
Community Development Block Grants/State's Program	14.228	B-F-19-1AP-1	0	34,803
Total Community Development Block Grants / State's Program			0	627,829
Home Investment Partnerships Program:				
Home Investment Partnerships Program	14.239	B-C-17-1AP-2	0	22,374
Home Investment Partnerships Program	14.239	B-C-19-1AP-2	0	207,906
Total Home Investment Partnerships Program:			0	230,280
<b>Total U.S. Department of Housing and Urban Development</b>			<b>0</b>	<b>858,109</b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>				
<i>Direct from U.S Department of the Interior:</i>				
Payment in Lieu of Taxes	15.226	N/A	0	695
<b>Total U.S. Department of the Interior</b>			<b>0</b>	<b>695</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Passed through the Ohio Office of Criminal Justice Services:</i>				
Crime Victims Assistance Program:				
Crime Victims Assistance Program	16.575	2020-VOCA-132922197	0	35,708
Crime Victims Assistance Program	16.575	2021-VOCA-133908053	0	850
Total Crime Victims Assistance Program			0	36,558
<b>Total U.S. Department of Justice</b>			<b>0</b>	<b>36,558</b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>				
<i>Passed through Area 7 Workforce Investment Board:</i>				
WIOA Cluster:				
WIA / WIOA Adult Program (SFY 19)	17.258	2018-7216-1	0	60,136
WIA / WIOA Adult Program (SFY 20)	17.258	2020/21-7216-1	0	59,282
Total WIA / WIOA - Adult Program			0	119,418
WIA / WIOA Youth Activities (SFY 18)	17.259	2018-7216-1	0	3,772
WIA / WIOA Youth Activities (SFY 19)	17.259	2018-7216-1	0	48,175
WIA / WIOA Youth Activities (SFY 20)	17.259	2020/21-7216-1	0	2,052
Total WIA / WIOA - Youth Activities			0	53,999
WIA / WIOA Dislocated Workers Formula (SFY 19)	17.278	2018-7216-1	0	44,175
WIA / WIOA Dislocated Workers Formula (SFY 20)	17.278	2020/21-7216-1	0	52,276
WIA / WIOA Dislocated Workers Non Formula Grants - Rapid Response (SFY 20)	17.278	2020/21-7216-1	0	26,316
Total WIA / WIOA - Dislocated Workers Formula			0	122,767
Total WIOA Cluster			0	296,184
WIOA National Dislocated Workers / WIA National Emergency Grants:				
WIOA National Emergency Grants - Opioids #3 Program	17.277	2020/21-7216-1	0	65,098
WIOA National Emergency Grants - Opioids #3 Incr 2 Program	17.277	2020/21-7216-1	0	106,907
WIOA National Dislocated Workers / WIA National Emergency Grants			0	172,005
<b>Total U.S. Department of Labor</b>			<b>0</b>	<b>468,189</b>

COSHOCTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Pass Through to Subrecipients	Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Direct from U.S. Department of Transportation:</i>				
Airport Improvement Program				
Airport Improvement Program	20.106	3-39-0028-024-2019	0	112,360
Airport Improvement Program	20.106	3-39-0028-025-2020	0	17,169
COVID-19 Airport Improvement Program	20.106	3-39-0028-026-2020	0	17,441
Total Airport Improvement Program			0	146,970
<i>Passed through the Ohio Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	108424	0	3,500
Highway Planning and Construction	20.205	110515	0	44,996
Total Highway Planning and Construction Cluster			0	48,496
Formula Grants for Rural Areas and Tribal Transit Program				
COVID-19 Formula Grants for Rural Areas - CARES Act	20.509	CARE-4192-024-201	0	439,673
COVID-19 Formula Grants for Rural Areas - CARES Act	20.509	OCPX-0016-024-201	0	76,039
Formula Grants for Rural Areas	20.509	RPTF-4192-005-201	0	9,325
Formula Grants for Rural Areas	20.509	RPTM-0192-005-201	0	2,725
Total Formula Grants for Rural Areas and Tribal Transit Program			0	527,762
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCPX-0192-038-202	0	14,175
Total Transit Services Programs Cluster			0	14,175
Federal Transit Cluster:				
Bus and Bus Facilities Formula Program	20.526	BABF-0192-010-201	0	32,608
Total Federal Transit Cluster:			0	32,608
<b>Total U.S. Department of Transportation</b>			<b>0</b>	<b>770,011</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<i>Passed through the Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	0	2,105,358
<i>Passed through the Ohio Supreme Court:</i>				
COVID-19 Coronavirus Relief Fund - Remote Tech Grant	21.019	20-RTG-0100	0	5,362
<b>Total U.S. Department of the Treasury</b>			<b>0</b>	<b>2,110,720</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed through the Ohio Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190111	0	12,542
Special Education - Grants to States (IDEA, Part B)	84.027	H027A200111	0	3,313
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190119	0	5,547
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A200119	0	1,389
Total Special Education Cluster (IDEA)			0	22,791
<i>Passed through the Ohio Department of Developmental Disabilities:</i>				
Special Education - Grants for Infants and Families				
Early Intervention - Help Me Grow	84.181	H181A180024	0	21,927
Early Intervention - Help Me Grow	84.181	H181A190024	0	22,582
Total Special Education - Grants for Infants and Families			0	44,509
<b>Total U.S. Department of Education</b>			<b>0</b>	<b>67,300</b>
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
<i>Passed through the Ohio Secretary of State:</i>				
HAVA Election Security Grants:				
COVID-19 Election Security Supplemental Grant	90.404	N/A	0	25,145
HAVA Election Security Grant (2019)	90.404	N/A	0	36,787
HAVA Election Security Grant (2020)	90.404	N/A	0	8,620
Primary Election PPE and Cleaning Reimbursement	90.404	N/A	0	396
Total HAVA Election Security Grants			0	70,948
<b>Total U.S. Election Assistance Commission</b>			<b>0</b>	<b>70,948</b>

COSHOCTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Pass Through to Subrecipients	Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through Ohio Department of Aging:</i>				
Aging Cluster:				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	N/A	0	21,334
Total Aging Cluster			0	21,334
<i>Passed through the Ohio Department of Health:</i>				
Maternal, Infant, and Early Childhood Home Visiting				
Maternal, Infant, and Early Childhood Home Visiting	93.870	01610021MH0820	0	48,562
Maternal, Infant, and Early Childhood Home Visiting	93.870	01610021MH0921	0	7,818
Total Maternal, Infant, and Early Childhood Home Visiting			0	56,380
<i>Passed through the Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	93.667	2001OHSOSR	0	14,285
Medicaid Cluster				
Medical Assistance Program	93.778	2005OH5ADM	0	163,090
Medical Assistance Program	93.778	2105OH5ADM	0	68,943
Total Medicaid Cluster			0	232,033
<i>Passed through the Ohio Supreme Court:</i>				
Child Abuse and Neglect Discretionary Activities	93.670	90CA1854	0	71,477
<i>Passed through the Ohio Department of Job and Family Services:</i>				
Promoting Safe and Stable Families				
ESAA Preservation	93.556	G-2021-11-5913	0	3,478
ESAA Reunification	93.556	G-2021-11-5913	0	5,677
Post Adoption Special Services Subsidy	93.556	G-2021-11-5913	0	1,635
Total Promoting Safe and Stable Families			0	10,790
Temporary Assistance for Needy Families (TANF) State Programs				
TANF Administration	93.558	G-2021-11-5913	0	158,489
TANF Regular	93.558	G-2021-11-5913	45,000	653,528
CCMEP TANF Administration	93.558	G-2021-11-5913	0	10,350
CCMEP TANF Regular	93.558	G-2021-11-5913	0	252,595
Kinship Caregiver	93.558	G-2021-11-5913	0	14,277
Fraud Awareness	93.558	G-2021-11-5913	0	1,976
TANF Summer Youth	93.558	G-2021-11-5913	0	48,173
Total Temporary Assistance for Needy Families (TANF) State Programs			45,000	1,139,388
Child Support Enforcement:				
Child Support Awareness	93.563	G-2021-11-5913	0	500
Child Support Training	93.563	G-2021-11-5913	0	71
Federal Child Support	93.563	G-2021-11-5913	0	443,844
Federal Incentives	93.563	G-2021-11-5913	0	93,526
Total Child Support Enforcement			0	537,941
CCDF Cluster:				
Child Care and Development Block Grant				
Child Care Administration	93.575	G-2021-11-5913	0	723
Child Care Non-Administration	93.575	G-2021-11-5913	0	46,209
Total CCDF Cluster			0	46,932
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5913	0	46,327
Foster Care Title IV-E				
Title IV-E Administration and Training - 75%	93.658	G-2021-11-5913	0	7,907
Title IV-E Administration and Training	93.658	G-2021-11-5913	0	180,940
Title IV-E Foster Care Contracts	93.658	G-2021-11-5913	0	6,449
Title IV-E Foster Care Maintenance	93.658	G-2021-11-5913	0	1,056,098
Total Foster Care Title IV-E			0	1,251,394
Adoption Assistance				
Title IV-E Administration and Training - 75%	93.659	G-2021-11-5913	0	6,153
Title IV-E Administration and Training - Adoption	93.659	G-2021-11-5913	0	149,412
Title IV-E Adoption Assistance Contracts	93.659	G-2021-11-5913	0	9,547
Title IV-E Non-Recurring Adoption	93.659	G-2021-11-5913	0	491
Total Adoption Assistance			0	165,603
Social Services Block Grant				
Title XX - Base Subsidy	93.667	G-2021-11-5913	0	185,734
Title XX - Transfer	93.667	G-2021-11-5913	0	395,929
Total Social Services Block Grant			0	581,663

COSHOCTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Pass Through to Subrecipients	Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u></b>				
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5913	0	10,747
Children's Health Insurance Program	93.767	G-2021-11-5913	0	41,742
Medicaid Cluster:				
Medical Assistance Program:				
Medicaid 50% and 75%	93.778	G-2021-11-5913	0	306,013
Medicaid Combined	93.778	G-2021-11-5913	0	53,617
Medicaid NET	93.778	G-2021-11-5913	0	151,482
Medicaid Pregnancy Related Services / Transportation	93.778	G-2021-11-5913	0	612
Total Medicaid Cluster			<u>0</u>	<u>511,724</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>45,000</u></b>	<b><u>4,739,760</u></b>
<b><u>U.S DEPARTMENT OF HOMELAND SAFETY</u></b>				
<i>Passed through the Ohio Department of Public Safety</i>				
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005	0	35,928
Emergency Management Performance Grants	97.042	EMC-2020-EP-00004	0	15,347
Total Emergency Management Performance Grants			<u>0</u>	<u>51,275</u>
<b>Total U.S. Department of Homeland Safety</b>			<b><u>0</u></b>	<b><u>51,275</u></b>
<b>Total Federal Awards Expenditures</b>			<b><u>\$45,000</u></b>	<b><u>\$9,526,644</u></b>

The accompanying notes are an integral part of this Schedule.



**COSHOCTON COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Coshocton County (the County's) 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - SUBRECIPIENTS**

The County passes certain federal awards received from the U.S. Department of Health and Human Services through the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of federal awards to subrecipients when paid in cash.

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

**NOTE E - MATCHING REQUIREMENTS**

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

**NOTE F - TRANSFERS BETWEEN PROGRAM YEARS**

During fiscal year 2020, the County made allowable transfers of \$395,929 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$1,139,388 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2020 and the amount transferred to the Social Services Block Grant program.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount</u>
Temporary Assistance for Needy Families		\$1,535,317
Transfer to Social Services Block Grant	93.667	<u>(\$395,929)</u>
Total Temporary Assistance for Needy Families	93.558	\$1,139,388

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

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

Coshocton County  
349 Main Street  
Coshocton, Ohio 43812

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, each discretely presented component unit, each major fund, and the aggregate remaining fund information of Coshocton County (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 December 22, 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2020-001 and 2020-002 to be material weaknesses

***Compliance and Other Matters***

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial 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*.

***County's Response to Findings***

The County's response to the Findings identified in our audit is described in the accompanying Corrective Action Plan. We did not subject the County's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 22, 2021

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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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

Coshocton County  
349 Main Street  
Coshocton, Ohio 43812

To the Board of County Commissioners:

### ***Report on Compliance for the Major Federal Program***

We have audited Coshocton 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 Coshocton 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 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 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 the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

***Basis for Qualified Opinion on Social Services Block Grant***

As described in Finding 2020-003 in the accompanying Schedule of Findings, the County did not comply with requirements regarding cash management applicable to its CFDA # 93.667 Social Services Block Grant. Compliance with this requirement is necessary, in our opinion, for the County to comply with requirements applicable to this program.

***Qualified Opinion on Social Services Block Grant***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Social Services Block Grant* paragraph, Coshocton County complied, in all material respects, with the requirements referred to above that could directly and materially affect its Social Services Block Grant for the year ended December 31, 2020.

***Unmodified Opinion on the Other Major Federal Programs***

In our opinion, Coshocton County complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended December 31, 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's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying Schedule of Findings as item 2020-003.

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 22, 2021

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	
	<ul style="list-style-type: none"> <li>• COVID-19 Coronavirus Relief Fund - Unmodified</li> <li>• Temporary Assistance for Needy Families (TANF) State Programs - Unmodified</li> <li>• Social Services Block Grant - Qualified</li> </ul>	
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	
	<ul style="list-style-type: none"> <li>• CFDA #21.019 COVID-19 Coronavirus Relief Fund</li> <li>• CFDA #93.558 Temporary Assistance for Needy Families (TANF) State Programs</li> <li>• CFDA #93.667 Social Services Block Grant</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

**FINDING NUMBER 2020-001**

**Material Weakness**

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

**COSHOCTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2020**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-001 (Continued)**

**Material Weakness (Continued)**

Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Errors were noted in the County's financial statements and generally accepted accounting principles (GAAP) conversion that required the following audit reclassifications and adjustments to be made to the financial statements:

- The County understated the Net Pension Liability, Net Pension Asset and Deferred Inflows of Resources for Pension by \$615,707, \$5,774 and \$44,017 respectively. Deferred Outflows of Resources for Pension was overstated by \$172,799. The error occurred due to errors in the internal allocation of net pension activity between County and Custodial Funds as a higher percentage of net pension activity was incorrectly allocated to Custodial Funds. This occurred as contributions by the Coshocton County Health District were incorrectly utilized in the allocation. However, the Coshocton County Health District utilized a separate reporting code to the pension system and should have been excluded from the calculation;
- The County understated the Net OPEB Liability and Deferred Outflows of Resources for OPEB by \$422,411 and \$78,759, respectively. Deferred Inflows of Resources for OPEB was overstated by \$47,102. The error occurred for the same reason as the error to the Net Pension Liability;
- The County reported \$626,153 in Deferred Inflows for Other Nonexchange Transactions Not Available in the Human Services Fund. However, this related to amounts due to the Human Services Fund from an Other Governmental Funds for reimbursements for amounts paid from the Human Services Fund. As such, a Deferred Inflow should not have been reported and Human Services Fund expenditures should have been reduced by \$626,153 instead;
- The County overstated Other Revenue by \$209,653 in the Emergency Ambulance Levy (EAL) Fund. This occurred as a reimbursement for 2020 activity made in 2021 from another fund was incorrectly reported as revenue. However, \$10,915 of this reimbursement related to 2021 and should have not have been reported as Due from Other Funds. The remaining \$198,738 should have been deducted from Health Expenditures instead of being reported as Other Revenue. This also resulted in Other Governmental Funds' Due to Other Funds being overstated by \$10,915;
- Original Estimated Revenue in the General Fund Budget versus Actual (BVA) Statement included various misclassifications. Estimated revenue was misclassified ranging from \$141 to \$869,244 depending on the revenue line item;
- The Airport incorrectly reported \$115,020 in Contracts Payable as Accounts Payable. Additionally, \$42,998 in Retainage Payable was incorrectly reported as Accounts Payable;

**COSHOCTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2020**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-001 (Continued)**

**Material Weakness (Continued)**

- Governmental Accounting Standards Board (GASB) Codification 2200.709-12 required payables relating to construction to be factored into the Net Investment in Capital Assets calculation. The Airport reported \$120,632 in payables that were included in Capital Assets; however, the Airport did not properly reduce the Net Investment in Capital Assets balance by this amount;

These adjustments/reclassifications have been agreed to by management, and the financial statements have been adjusted accordingly.

We also noted various insignificant adjustments and reclassifications as follows:

- There were various classification errors within multiple revenue and expenditure classifications between \$1,818 and \$200,000 across several opinion units;
- The County utilized Coronavirus Relief Fund (CRF) grants for various purposes, including purchasing equipment for the Emergency Ambulance Levy (EAL) Fund and reimbursing the EAL Fund for CRF eligible expenditures made from it. This amount was \$511,623; however, it was incorrectly classified as Public Safety Expenditure. These expenditures should be reported as Health Expenditures as the EAL Fund utilized this classification;
- Property Tax activity was recorded at net instead of the gross distribution level which resulted in differences ranging from \$47,167 to \$93,424 in several opinion units;
- Additional BVA adjustments/reclassifications to original estimated revenues and original appropriations were noted in amounts ranging between \$2,416 to \$168,172;
- There were various errors in reporting Due from Other Governments ranging from \$10,069 to \$196,678 across several opinions unit. Additionally, this resulted in errors in reporting Deferred Inflows of Resources for Nonexchange Transactions not Available ranging from \$323 to \$104,555. Additionally, this resulted in Due from Other Funds and Due to Other Funds being understated by \$10,069;
- The County incorrectly reported \$104,769 as Restricted Fund Balance for Health that should have been reported as Restricted Fund Balance for Other Purposes. This occurred as the fund balance of the Coronavirus Relief Fund (CRF) was reported as being for "Health;" however, the CRF was utilized for a variety of purposes. Additionally, the County incorrectly reported \$41,112 as Restricted Fund Balance for Other Purposes that should have been reported as Restricted Fund Balance for Human Services. This occurred as the fund balance relating to Fund 208, Child Support Placement, was incorrectly classified;
- Internal Service Fund Other Revenue was understated by \$740,011 as Charges for Services were overstated by \$740,011. This occurred as various rebates and other revenue were incorrectly reported as Charges for Services;

**COSHOCTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2020**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-001 (Continued)**

**Material Weakness (Continued)**

- Internal Services and Governmental Activities Accounts Receivable was understated by \$96,464. This occurred as a payment from the County Board of DD was not received by Self Funded Plans which resulted in a receivable;
- Custodial Funds Segregated Cash were understated by \$14,519. Custodial Funds Licenses, Permits and Fees for Other Governments and Fines and Forfeitures for Other Governments were overstated by \$71,463 and \$62,286, respectively. Custodial Funds Licenses, Permits and Fees Distributions to Other Governments and Fines and Forfeiture Distributions to Others were overstated by \$85,981 and \$62,287;
- Custodial Funds Special Assessments Collection for Other Governments of \$194,361 was not reported as this amount was incorrectly included in Property Tax Collection for Other Governments. This occurred as assessments collected for the Muskingum Watershed Conservancy District were misclassified;
- Custodial Funds Due from Other Governments, Intergovernmental Revenue, Due to Other Governments and Distributions of State Funds to Other Governments were all understated by \$88,034. This occurred as a receivable was not reported for supplemental local government assistance from House Bill 64;
- The Airport incorrectly understated Unearned Revenue by \$4,200 as an advance payment for leases due in 2021 which was improperly recognized as revenue instead of a liability;
- The Airport incorrectly reported Federal grant revenue of \$9,067 as Miscellaneous Revenue instead of Capital Grants and Contributions.

Failure to properly report financial activity in accordance with GAAP could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the County's financial position and operations.

The County should take the necessary steps to ensure that all revenues, expenditures/ expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources and equity of the County are properly presented and disclosed in the County's financial statements. In addition, we recommend the County's financial statements reflect the original and final budgeted amounts based upon the official budget documents and amendments.

**Officials' Response:** See Corrective Action Plan.

**COSHOCTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2020**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-002**

**Material Weakness**

Sound accounting practices require maintaining a capital asset accounting system that incorporates sufficient information to enable the Airport to prepare financial statements in accordance with governmental accounting standards. The Airport utilized a fixed asset system to account for capital assets.

During testing of the Airport's capital assets, the following items were noted:

- The Airport followed the County's depreciation policy. The County's policy documented the useful lives of various classifications of capital assets and required that acquisitions be depreciated for half a year in the year of acquisition. However, certain acquisitions were depreciated at a useful life that did not correspond with County policy and all acquisitions were depreciated on a pro-rated basis for the number of months the Airport had the asset during the year.
- The Airport obtained funding from the Federal Aviation Administration (FAA) for projects. The Federal and Ohio Department of Transportation (ODOT) portions of the project were paid directly by the Airport (with the Airport being refunded for these costs from the FAA and ODOT, respectively). Coshocton County paid the remaining 5% local portion on behalf of the Airport. The County paid \$10,814 in 2020, \$8,796 in 2019, and \$10,926 in 2018 for the fence project. The total amount of \$30,536 was not reported in the Airport's capital assets as required.

As a result, capital assets were understated due to the exclusion of certain assets. An adjustment has been agreed to by management, and the financial statements have been adjusted accordingly. Pro-rating the depreciation by month was consistent with the prior year, therefore it is not considered a misstatement; however, the policy should reflect the methodology utilized.

The Airport should review the capital assets policy and determine whether they will follow the County's policy or utilize a different policy. Regardless, capital asset reporting and depreciation calculations should be made in accordance with policy. The Airport should obtain amounts paid by the County on behalf of the Airport for reporting. This will help to ensure that payments are proper and that the accounting system of the Airport properly reflects its activity.

**Officials' Response:** See Corrective Action Plan.

**COSHOCTON COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2020**  
**(Continued)**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**1. Social Services Block Grant Cash Management**

<b>Finding Number:</b>	<b>2020-003</b>
<b>CFDA Number and Title:</b>	<b>CFDA # 93.667 Social Services Block Grant</b>
<b>Federal Award Identification Number / Year:</b>	<b>G-2021-11-5913</b>
<b>Federal Agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance Requirement:</b>	<b>Cash Management Requirement</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Job and Family Services</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance and Material Weakness**

**45 C.F.R. § 75.305(b)** states for non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

**Ohio Admin. Code 5101:9-7-03(B)(1)** states the County Departments of Job and Family Services shall have cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten-day average for all federal funding.

Per review of the quarterly CR 502 Reports, the day's equivalent cash on hand averaged to 19 days. Therefore, the Coshocton County Job and Family Services' cash on handed exceeded the allowable number of days by nine days for the year.

The Coshocton County Job and Family Services should implement internal control procedures that would limit cash draws to amounts only immediately needed. Procedures should include, but are not limited to, a review expenditures and requesting limited drawdowns that would ensure that cash on hand is expended within the 10-day requirement.

**Officials' Response:** See Corrective Action Plan.



# CHRISTINE R. SYCKS

## Coshocton County Auditor

Jinni Bowman, Chief Deputy Auditor

Courthouse Annex Building

349 Main Street

Coshocton, Ohio 43812

(740) 622-1243

Email: [auditor@coshoctoncounty.net](mailto:auditor@coshoctoncounty.net)



### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Weakness – Financial Reporting	Partially Corrected	Portions Repeated within 2020-001
2019-002	Significant Deficiency – Internal Controls	Corrected	N/A

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### CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

December 31, 2020

**Finding Number:**

2020-001

**Planned Corrective Action:**

Julian & Grube Accounting has already been notified of the issues involving their work that were included within this finding and have also had contact with the AOS Coshocton team for the audit adjustments. They are aware and steps will be taken in the future avoid misstatements and to assure proper classification.

The airport is aware of the misstatements and reporting problems at their level. They continue to work to correct such issues.

Other issues that stemmed from entry at county level will be reviewed and individual departments will be notified if entry into the VIP accounting system needs to be altered to properly reflect classifications and amounts. Auditor's Office staff will continue to monitor expense and revenue entry.

**Anticipated Completion Date:**

Already implemented

**Responsible Contact Person:**

Christine Sycks, County Auditor

**Finding Number:**

2020-002

**Planned Corrective Action:**

The Fiscal Officer will work with the Airport's accounting firm to depreciate the capital assets correctly. She will also work with the county to obtain amounts paid by the county on any projects the airport implements to make sure the capital assets are correct.

**Anticipated Completion Date:**

12/31/2021

**Responsible Contact Person:**

Cathy Williamson

**Finding Number:**

2020-003

**Planned Corrective Action:**

Recognizing Cash on Hand (COH) as an issue in 2020 extending into 2021, the JFS requested financial assistance from County Commissioners to assist in funding a portion of Foster Care Costs in early 2021. Foster care costs are costs of which the JFS has little or control over. The inability of the 090-child welfare fund to timely reimburse the 030-public assistance fund led to a significant arrearage for full reconciliation. The JFS notified ODJFS of the issue and has since been working closely with ODJFS fiscal staff to analyze and reduce cash draws as possible, planning for draws and timing of reimbursement from ODJFS and has again requested a portion of foster costs to be funded through GRF in 2022. While the issue continues through 2021, we anticipate full correction and compliance with the last calendar quarter of 2021.

**Anticipated Completion Date:**

With quarter close December, 2021

**Responsible Contact Person:**

Danny Brenneman/Kim Arden

# OHIO AUDITOR OF STATE KEITH FABER



**COSHOCTON 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 12/28/2021**

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](http://www.ohioauditor.gov)