



SENECA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

**SENECA COUNTY
DECEMBER 31, 2020**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Maintenance and Repair Fund	27
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Seneca County Opportunity Center Fund	28
Statement of Net Position Proprietary Funds	29
Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds	30
Statement of Cash Flows Proprietary Funds	31
Statement of Fiduciary Net Position Custodial Funds.....	33
Statement of Changes in Fiduciary Net Position Custodial Funds.....	34

**SENECA COUNTY
DECEMBER 31, 2020**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Notes to the Basic Financial Statements	35
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)	106
State Teachers Retirement System (STRS) of Ohio	108
Schedule of County Pension Contributions:	
Ohio Public Employees Retirement System (OPERS)	110
State Teachers Retirement System (STRS) of Ohio	112
Schedule of the County's Proportionate Share of the Net OPEB Liability/Asset:	
Ohio Public Employees Retirement System (OPERS)	114
State Teachers Retirement System (STRS) of Ohio	115
Schedule of County OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	116
State Teachers Retirement System (STRS) of Ohio	118
Notes to the Required Supplementary Information	120
Schedule of Expenditures of Federal Awards	122
Notes to the Schedule of Expenditures of Federal Awards.....	125
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	127
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	129
Schedule of Findings.....	131

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the the aggregate discretely presented component units and remaining fund information of Seneca County, Ohio (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and 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, Maintenance and Repair, and Seneca County Opportunity Center funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 29 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 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

September 21, 2021

This page intentionally left blank.

SENECA COUNTY

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

The management's discussion and analysis of Seneca County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 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 the 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 increased \$2,841,937, from 2019 total. The net position of the governmental activities increased \$2,697,811, which represents a 3.02 percent increase over the net position at December 31, 2019; meanwhile, the net position of business-type activities increased \$144,126 or 4.06 percent from December 31, 2019's net position. The County's business-type activities consist of the County Sewer District and Emergency Management Services operations.
- General revenues accounted for \$26,315,037 or 44.85 percent of total governmental activities revenue. Program specific revenues accounted for \$32,363,400 or 55.15 percent of total governmental activities revenue.
- The County's governmental activities had \$55,635,626 in expenses; \$32,363,400 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$26,315,037 were adequate to provide for these programs.
- The County's business-type activities had \$1,000,022 in expenses; \$775,849 of these expenses were offset by program specific charges for services, grants or contributions. General revenues and a transfer of \$368,299 were adequate to provide for these programs.
- The General fund, the County's largest major governmental fund, had revenues and other financing sources of \$21,695,692 in 2020, an increase of \$2,219,166 or 11.39 percent from general fund revenues and other financing sources in 2019. The General fund had expenditures and other financing uses of \$19,189,450 in 2020, a decrease of \$259,668 or 1.34 percent from 2019. The net effect of changes in revenues and expenditures contributed to the General fund balance increase of \$2,506,242 or 33.00 percent from 2019's net position.

Using the Basic Financial Statements (BFS)

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

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

SENECA COUNTY

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

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

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

SENECA COUNTY

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

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

Government-Wide Financial Analysis

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

THIS SPACE INTENTIONALLY LEFT BLANK

SENECA COUNTY

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

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

	Net Position					
	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
<u>Assets</u>						
Current and other assets	\$ 77,232,362	\$ 68,208,862	\$ 1,892,414	\$ 1,708,926	\$ 79,124,776	\$ 69,917,788
Capital assets	83,427,138	85,652,405	5,310,101	5,455,001	88,737,239	91,107,406
Total assets	<u>160,659,500</u>	<u>153,861,267</u>	<u>7,202,515</u>	<u>7,163,927</u>	<u>167,862,015</u>	<u>161,025,194</u>
<u>Deferred Outflows of Resources</u>	<u>7,055,179</u>	<u>12,740,893</u>	<u>80,805</u>	<u>215,681</u>	<u>7,135,984</u>	<u>12,956,574</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	54,016,416	63,649,900	3,281,513	3,752,967	57,297,929	67,402,867
Other liabilities	2,656,498	2,045,572	57,021	62,672	2,713,519	2,108,244
Total liabilities	<u>56,672,914</u>	<u>65,695,472</u>	<u>3,338,534</u>	<u>3,815,639</u>	<u>60,011,448</u>	<u>69,511,111</u>
<u>Deferred Inflows of Resources</u>	<u>19,084,600</u>	<u>11,647,334</u>	<u>248,022</u>	<u>11,331</u>	<u>19,332,622</u>	<u>11,658,665</u>
<u>Net Position</u>						
Net investment in capital assets	74,205,963	76,128,031	2,546,027	2,633,584	76,751,990	78,761,615
Restricted	26,979,741	23,987,779	131,246	160,630	27,110,987	24,148,409
Unrestricted (deficit)	<u>(9,228,539)</u>	<u>(10,856,456)</u>	<u>1,019,491</u>	<u>758,424</u>	<u>(8,209,048)</u>	<u>(10,098,032)</u>
Total net position	<u>\$ 91,957,165</u>	<u>\$ 89,259,354</u>	<u>\$ 3,696,764</u>	<u>\$ 3,552,638</u>	<u>\$ 95,653,929</u>	<u>\$ 92,811,992</u>

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

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

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

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.

SENECA COUNTY

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial condition. At December 31, 2020, the County's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$95,653,929. This amounts to \$91,957,165 in the governmental activities and \$3,696,764 in the business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 52.86 percent of total governmental and business-type assets. Capital assets include land and improvements, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The County's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets and amounted to \$76,751,990 at December 31, 2020. Capital assets are used to provide services to citizens and are not available for future spending. Although the County's net investment in capital assets is reported net of related long-term obligations, it should be noted that the resources to repay the related debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2020, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the County's net position, \$26,979,741 or 29.34 percent in the governmental activities and \$131,246 or 3.55 percent in the business-type activities, represents resources that are subject to external restrictions on how they may be used.

SENECA COUNTY

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

The remaining balance of unrestricted net position, which amounts to (\$9,228,539) in the governmental activities and \$1,019,491 in the business-type activities, may be used to meet the County's ongoing obligations to citizens and creditors.

General government expenses, which include legislative and executive and judicial programs, accounted for \$14,175,679 or 25.48 percent of total governmental expenses. General government expenses were covered by direct charges to users, operating grants and contributions, and capital grants and contributions of \$4,091,325, \$1,160,499, and \$851,563, respectively, in 2020. Health activities are provided mainly by the SCOC. Health activities expenses of \$13,248,403 were funded by \$5,483,358 in operating grants and contributions and \$1,625,163 in charges for health services in 2020. Human services programs support the operations of Public Assistance, Victim Assistance, Veteran Services, and the Children Services Board. Human services expenses accounted for \$10,016,255 or 18.00 percent of total governmental activities expenses. These expenses were funded by \$253,139 in charges to users of services and \$7,997,941 in operating grants and contributions in 2020. Public works expenses accounted for \$7,380,732 or 13.27 percent of expenses and were offset by direct charges to users, operating grants and contributions, and capital grants and contributions of \$310,755, \$5,072,577, and \$737,398, respectively. Public safety activities include the operations of the County sheriff, coroner, community corrections, homeland security, emergency management, and the Seneca County Youth Center. Public safety expenses accounted for \$10,204,305 or 18.34 percent of total governmental activities expenses. These expenses were funded by \$2,490,791 in charges to users of services and \$2,191,133 in operating grants and contributions in 2020.

The County's direct charges to users of governmental services made up \$8,771,173 or 14.95 percent of total governmental activities revenues. These charges include fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, income from the lease of property, and licenses and permits.

The State and federal government contributed to the County revenues of \$22,003,266 in operating grants and contributions and \$1,588,961 in capital grants and contributions. Operating grants and contributions are restricted to be used for specific County programs, while capital grants and contributions are restricted to be used for the construction or acquisition of facilities and other capital assets.

General revenues totaled \$26,315,037 and amounted to 44.85 percent of total revenues. These revenues primarily consist of property and sales tax revenue of \$21,434,975, or 81.46 percent of total general revenues in 2020. The other primary source of general revenues is unrestricted grants and entitlements of \$2,105,883.

THIS SPACE INTENTIONALLY LEFT BLANK

SENECA COUNTY

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

The table below shows the changes in net position for fiscal year 2020 and 2019.

	Change in Net Position					
	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
Revenues						
Program revenues:						
Charges for services and sales	\$ 8,771,173	\$ 8,569,449	\$ 760,947	\$ 811,318	\$ 9,532,120	\$ 9,380,767
Operating grants and contributions	22,003,266	17,942,129	14,902	4,736	22,018,168	17,946,865
Capital grants and contributions	1,588,961	2,641,266	-	-	1,588,961	2,641,266
Total program revenues	<u>32,363,400</u>	<u>29,152,844</u>	<u>775,849</u>	<u>816,054</u>	<u>33,139,249</u>	<u>29,968,898</u>
General revenues:						
Property taxes	11,722,781	9,297,592	-	-	11,722,781	9,297,592
Other local taxes - lodging excise tax	100,933	154,757	-	-	100,933	154,757
Sales tax	9,712,194	9,169,735	-	-	9,712,194	9,169,735
Unrestricted grants	2,105,883	2,370,126	-	-	2,105,883	2,370,126
Contributions and donations	9,243	23,656	-	-	9,243	23,656
Investment earnings	1,032,288	1,215,683	1,473	4,679	1,033,761	1,220,362
Other	1,631,715	1,030,965	21,826	11,074	1,653,541	1,042,039
Total general revenues	<u>26,315,037</u>	<u>23,262,514</u>	<u>23,299</u>	<u>15,753</u>	<u>26,338,336</u>	<u>23,278,267</u>
Total revenues	<u>58,678,437</u>	<u>52,415,358</u>	<u>799,148</u>	<u>831,807</u>	<u>59,477,585</u>	<u>53,247,165</u>
Expenses						
Program expenses:						
General government						
Legislative and executive	11,243,233	10,354,894	-	-	11,243,233	10,354,894
Judicial	2,932,446	3,394,946	-	-	2,932,446	3,394,946
Public safety	10,204,305	10,439,158	-	-	10,204,305	10,439,158
Public works	7,380,732	6,723,245	-	-	7,380,732	6,723,245
Health	13,248,403	12,832,887	-	-	13,248,403	12,832,887
Human services	10,016,255	9,851,670	-	-	10,016,255	9,851,670
Conservation and recreation	130,844	286,288	-	-	130,844	286,288
Community and economic development	212,873	235,752	-	-	212,873	235,752
Interest and fiscal charges	266,535	276,805	-	-	266,535	276,805
County Sewer District	-	-	601,963	613,311	601,963	613,311
Emergency Medical Services	-	-	398,059	802,602	398,059	802,602
Total expenses	<u>55,635,626</u>	<u>54,395,645</u>	<u>1,000,022</u>	<u>1,415,913</u>	<u>56,635,648</u>	<u>55,811,558</u>
Excess of revenues over expenses	3,042,811	(1,980,287)	(200,874)	(584,106)	2,841,937	(2,564,393)
Transfers	(345,000)	(330,000)	345,000	330,000	-	-
Change in net position	2,697,811	(2,310,287)	144,126	(254,106)	2,841,937	(2,564,393)
Net position at beginning of year	<u>89,259,354</u>	<u>91,569,641</u>	<u>3,552,638</u>	<u>3,806,744</u>	<u>92,811,992</u>	<u>95,376,385</u>
Net position at end of year	<u>\$ 91,957,165</u>	<u>\$ 89,259,354</u>	<u>\$ 3,696,764</u>	<u>\$ 3,552,638</u>	<u>\$ 95,653,929</u>	<u>\$ 92,811,992</u>

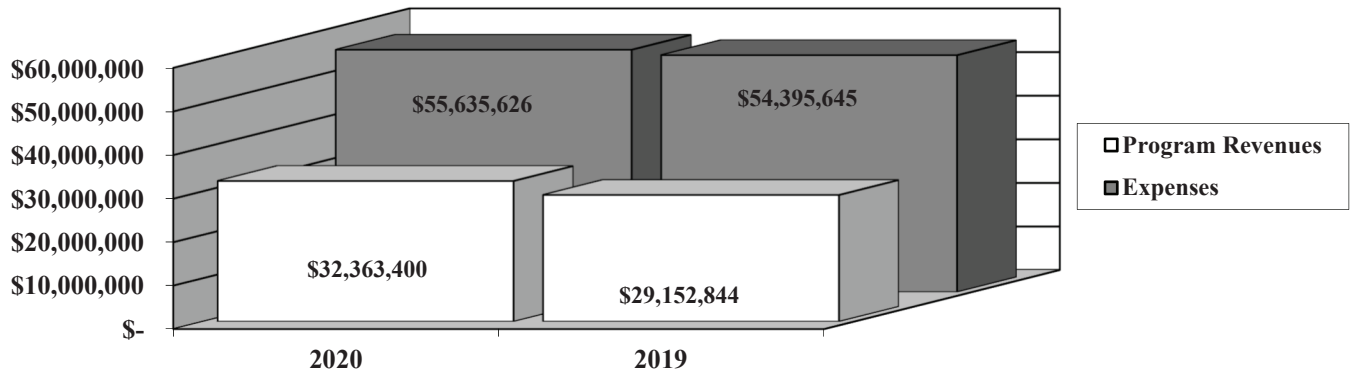
SENECA COUNTY

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

Governmental Activities

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020 and 2019. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements). The County is reliant upon general revenues to finance operations, as program revenues are not sufficient to cover total expenses.

Governmental Activities - Program Revenues vs. Total Expenses



The table that follows presents the total and net costs of services, or the extent to which the County relies on general revenues to finance current operations, of the governmental activities for 2020 and 2019.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020	2020	2019	2019
Program Expenses:				
General government				
Legislative and executive	\$ 11,243,233	\$ 6,473,066	\$ 10,354,894	\$ 7,467,247
Judicial	2,932,446	1,599,226	3,394,946	1,943,825
Public safety	10,204,305	5,522,381	10,439,158	7,476,843
Public works	7,380,732	1,260,002	6,723,245	(1,909,900)
Health	13,248,403	6,139,882	12,832,887	6,928,169
Human services	10,016,255	1,765,175	9,851,670	2,624,095
Conservation and recreation	130,844	130,844	286,288	286,288
Community and economic development	212,873	115,115	235,752	149,429
Interest and fiscal charges	266,535	266,535	276,805	276,805
Total	\$ 55,635,626	\$ 23,272,226	\$ 54,395,645	\$ 25,242,801

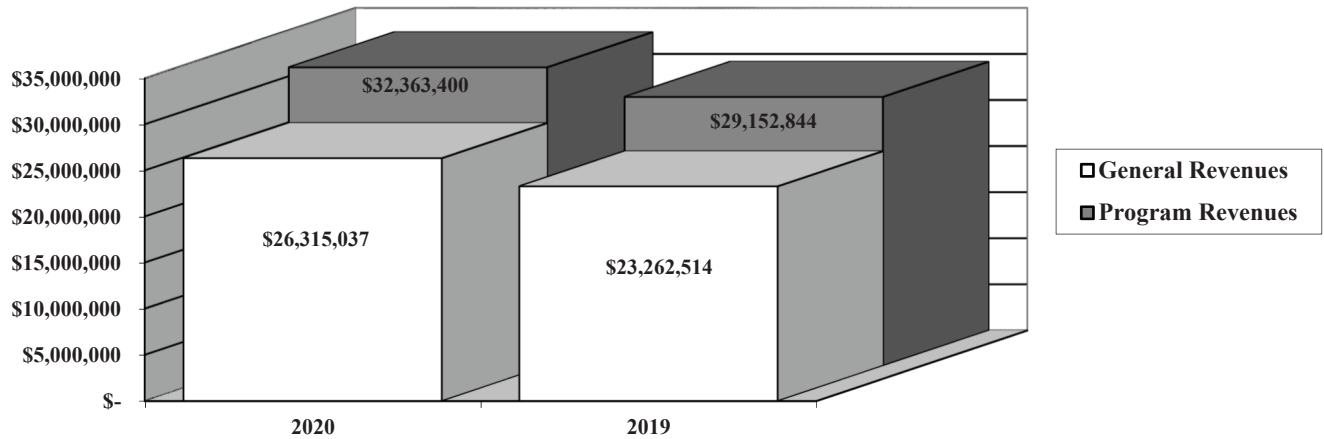
SENECA COUNTY

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

Charges for services, operating grants and contributions, and capital grants and contributions totaling \$32,363,400 were used to offset the general government expenses of the County. The remaining \$26,315,037 in general government expenses was partially funded by property taxes, sales taxes and grants and entitlements not restricted to specific programs. The dependence upon general revenues for governmental activities is apparent, with 41.83% of expenses supported through taxes and other general revenues during 2020.

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

Governmental Activities - General and Program Revenues

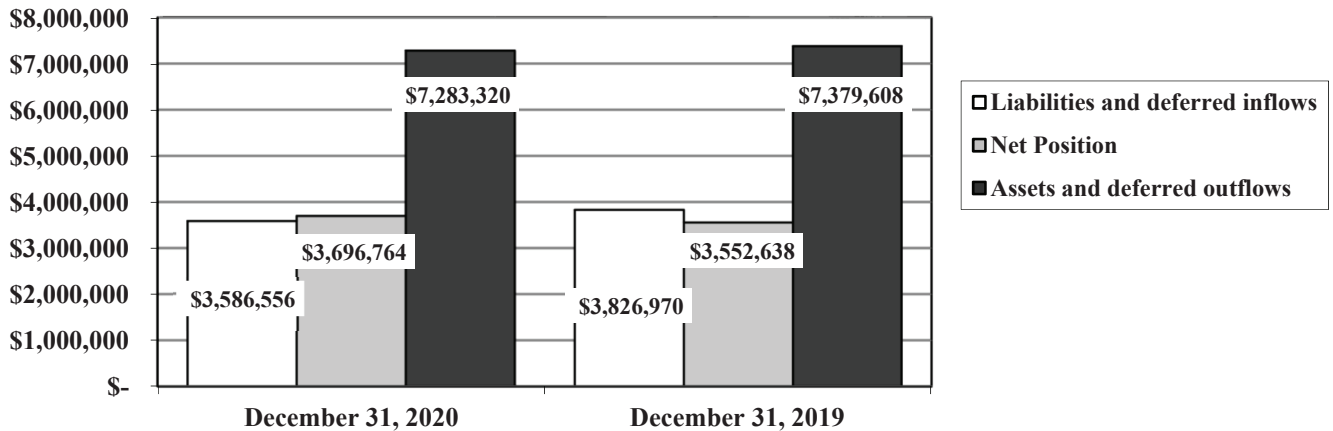


Business-Type Activities

The County Sewer District and Emergency Medical Services are the County's business-type activities. These operations had program revenues of \$775,849, general revenues of \$23,299, transfers in of \$345,000 and expenses of \$1,000,022 for fiscal year 2020. The net position of the business-type activities increased \$144,126 during 2020.

The following graph illustrates the assets, liabilities, and net position of the County's business-type activities at December 31, 2020 and December 31, 2019.

Net Position of Business - Type Activities



SENECA COUNTY

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

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The County's governmental funds reported a combined fund balance of \$52,276,641 at December 31, 2020, which is \$7,541,366 higher than last year's total fund balance of \$44,735,275.

The schedule below indicates the fund balances as of December 31, 2020 and December 31, 2019 and the total change in fund balance during the year for all major governmental funds and the non-major governmental funds in the aggregate.

	Fund Balances December 31, 2020	Fund Balances December 31, 2019	Change
Major funds:			
General	\$ 10,100,362	\$ 7,594,120	\$ 2,506,242
Maintenance and Repair	17,494,365	17,336,064	158,301
Seneca County Opportunity Center	16,098,394	12,930,993	3,167,401
Nonmajor governmental funds	<u>8,583,520</u>	<u>6,874,098</u>	<u>1,709,422</u>
Total	<u>\$ 52,276,641</u>	<u>\$ 44,735,275</u>	<u>\$ 7,541,366</u>

General Fund

The General fund is the primary operating fund of the County. During 2020, the County's General fund balance increased \$2,506,242.

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

<u>Revenues</u>	2020 Amount	2019 Amount	Percentage Change
Taxes	\$ 11,989,124	\$ 11,160,053	7.43 %
Charges for services	3,693,630	3,885,060	(4.93) %
Licenses and permits	2,623	3,106	(15.55) %
Fines and forfeitures	802,225	180,558	344.30 %
Intergovernmental	2,823,181	2,248,526	25.56 %
Interest	969,866	955,201	1.54 %
Other	<u>1,413,316</u>	<u>848,270</u>	66.61 %
Total	<u>\$ 21,693,965</u>	<u>\$ 19,280,774</u>	12.52 %

Total revenues increased \$2,413,191 or 12.52 percent. Charges for services decreased \$191,430 or 4.93% primarily due to fewer services rendered in 2020 due to the COVID-19 pandemic. Intergovernmental revenue increased \$574,655 or 25.56% primarily due to an increase in federal airport grants received during 2020. Other revenue increased \$565,046 or 66.61% primarily due to the County received large BWC dividends in 2020.

SENECA COUNTY

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

These dividends were awarded by BWC as a result of the COVID-19 pandemic. Fines and forfeitures increased \$621,667 as a result of increased sheriff forfeitures during 2020. All other revenues remained comparable to the prior year.

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

<u>Expenditures</u>	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Percentage Change</u>
General government:			
Legislative and executive	\$ 6,821,298	\$ 6,736,927	1.25 %
Judicial	2,335,062	2,405,297	(2.92) %
Public safety	6,387,406	7,065,838	(9.60) %
Public works	61,919	94,367	(34.38) %
Health	123,790	115,314	7.35 %
Human services	343,751	484,816	(29.10) %
Conservation and recreation	113,191	257,962	(56.12) %
Capital outlay	588,390	-	100.00 %
Debt service	2,694	3,233	(16.67) %
Total	<u>\$ 16,777,501</u>	<u>\$ 17,163,754</u>	(2.25) %

Total expenditures decreased \$386,253 or 2.25 percent. Capital outlay increased \$588,390 or 100 percent due to the County purchasing property in 2020 that was expended out of the general fund. Conservation and recreation expenditures decreased \$144,771 or 56.12 percent due to a decrease in services in agriculture and recycling in 2020. Human services expenditures related to military and veteran services decreased 29.10 percent from prior year. All other expenditures remained comparable to the prior year.

Maintenance and Repair Fund

The Maintenance and Repair fund, a major governmental fund, had revenues and other financing sources of \$5,708,246 in 2020, a decrease of \$1,235,503 from 2019 revenues and other financing sources. The Maintenance and Repair fund had expenditures of \$5,549,945 in 2020, a decrease of \$36,358 from 2019. The fund balance of the Maintenance and Repair fund increased \$158,301 or 0.91 percent from 2019 to 2020.

Seneca County Opportunity Center (SCOC) Fund

The SCOC fund, a major governmental fund, had revenues and other financing sources of \$12,953,439 in 2020, a decrease of \$288,311 from 2019. The SCOC fund had expenditures of \$9,786,038 in 2020, a decrease of \$1,251,381 from 2019. The fund balance of the SCOC fund increased \$3,167,401 or 24.49 percent 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 may be adjusted accordingly.

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

In the General fund, final budgeted revenues and other financing sources of \$21,198,063 were \$3,106,763 higher than original budgeted revenues and other financing sources of \$18,091,300. Actual revenues and other financing sources of \$21,152,431 were lower than final budgeted revenues and other financing sources by \$45,632.

SENECA COUNTY

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

General fund final budgeted expenditures and other financing uses of \$20,655,723 were \$1,502,449 higher than original budgeted expenditures and other financing uses of \$19,153,274. Actual expenditures and financing uses of \$19,346,780 were \$1,308,943 lower than final budgeted expenditures and financing uses.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

At the end of 2020, the County had \$88,737,239 (net of accumulated depreciation) invested in land and improvements (land and improvements not being depreciated, such as road base infrastructure), land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Of this total, \$83,427,138 was reported in the governmental activities and \$5,310,101 was reported in the business-type activities.

The following table shows December 31, 2020 balances compared to December 31, 2019.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and improvements	\$ 22,311,983	\$ 21,538,294	\$ 26,243	\$ 26,243	\$ 22,338,226	\$ 21,564,537
Construction in progress	1,592,329	1,522,326	-	-	1,592,329	1,522,326
Land improvements	467,314	374,123	-	-	467,314	374,123
Building and improvements	25,910,509	28,655,443	42,538	48,921	25,953,047	28,704,364
Machinery and equipment	4,103,343	3,626,746	355,682	324,990	4,459,025	3,951,736
Infrastructure	29,041,660	29,935,473	4,885,638	5,054,847	33,927,298	34,990,320
Total	\$ 83,427,138	\$ 85,652,405	\$ 5,310,101	\$ 5,455,001	\$ 88,737,239	\$ 91,107,406

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

The County's largest capital asset category is infrastructure, which includes roads, bridges and culverts. These items are immovable and of value only to the County; however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 34.81 percent of the County's total governmental capital assets.

The County's largest business-type capital asset category is also infrastructure. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 92.01 percent of the County's total business-type capital assets.

Debt Administration

At December 31, 2020, the County had \$400,000 in general obligation bonds, \$7,860,000 in special obligation bonds, \$15,943 in OWDA loans, \$400,000 Joint Justice Center Loan, \$3,422 in OPWC loans payable, and \$2,760,652 in sewer district improvement revenue bonds outstanding. Of this total, \$519,998 is due within one year and \$11,317,745 is due in more than one year.

SENECA COUNTY

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

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

	Outstanding Debt, at Year End			
	Governmental Activities 2020	Business-Type Activities 2020	Governmental Activities 2019	Business-Type Activities 2019
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Long-Term Obligations				
General obligation bonds	\$ 400,000	\$ -	\$ 525,000	\$ -
Capital lease obligation	-	-	2,633	-
Special obligation bonds	7,860,000	-	8,130,000	-
OWDA loan	15,943	-	18,600	-
Joint Justice Center loan	400,000	-	450,000	-
OPWC loan	-	3,422	-	3,765
Sewer improvement bonds	-	2,760,652	-	2,817,652
Total	<u>\$ 8,675,943</u>	<u>\$ 2,764,074</u>	<u>\$ 9,126,233</u>	<u>\$ 2,821,417</u>

At December 31, 2020 the County's voted legal debt margin was \$34,829,703 and the County's unvoted legal debt margin was \$14,310,494. See Note 11 to the basic financial statements for detail on long-term obligations.

Current Economic Factors

The County's estimated population as of July 1, 2019 per the U.S. Census Bureau is 55,178. The County's average annual unemployment rate during 2020 was 8.1 percent compared to 8.1 percent average for the State of Ohio.

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

Contacting the County's Financial Management

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

SENECA COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 50,229,264	\$ 1,639,046	\$ 51,868,310
Cash and cash equivalents in segregated accounts	171,658	-	171,658
Cash and cash equivalents with fiscal agent	44,404	-	44,404
Receivables:			
Sales taxes.	2,616,005	-	2,616,005
Property and other local taxes	12,561,439	-	12,561,439
Accounts.	536,997	250,359	787,356
Accrued interest	62,102	-	62,102
Intergovernmental	3,876,233	-	3,876,233
Loans.	93,686	-	93,686
Due from component unit.	80,839	-	80,839
Materials and supplies inventory.	550,028	-	550,028
Prepayments	296,107	846	296,953
Net pension asset	206,467	2,369	208,836
Net OPEB asset	74,511	-	74,511
Prepaid bond insurance	27,897	-	27,897
Assets held for resale	-	-	-
Internal balance	206	(206)	-
Investment in joint ventures	5,804,519	-	5,804,519
Capital assets:			
Non-depreciable capital assets.	23,904,312	26,243	23,930,555
Depreciable capital assets, net.	59,522,826	5,283,858	64,806,684
Total capital assets, net.	83,427,138	5,310,101	88,737,239
Total assets	160,659,500	7,202,515	167,862,015
Deferred outflows of resources:			
Pension	4,257,547	48,038	4,305,585
OPEB	2,797,632	32,767	2,830,399
Total deferred outflows of resources	7,055,179	80,805	7,135,984
Liabilities:			
Accounts payable.	1,111,842	20,246	1,132,088
Contracts payable.	163,449	-	163,449
Accrued wages and benefits payable	758,121	2,269	760,390
Due to other governments	408,293	15,526	423,819
Due to primary government	-	-	-
Accrued interest payable	22,871	18,980	41,851
Payroll withholding payable.	70,119	-	70,119
Unearned revenue	121,803	-	121,803
Long-term liabilities:			
Due within one year	460,314	59,684	519,998
Due in more than one year:			
Net pension liability	25,716,944	283,241	26,000,185
Net OPEB liability	16,875,353	193,584	17,068,937
Other amounts	10,963,805	2,745,004	13,708,809
Total liabilities	56,672,914	3,338,534	60,011,448
Deferred inflows of resources:			
Property taxes levied for the subsequent year.	10,757,456	-	10,757,456
Pension	5,689,200	163,001	5,852,201
OPEB	2,637,944	85,021	2,722,965
Total deferred inflows of resources	19,084,600	248,022	19,332,622
Net position:			
Net investment in capital assets	74,205,963	2,546,027	76,751,990
Restricted for:			
Capital projects	161,688	-	161,688
Grants and specific programs	3,889,414	-	3,889,414
Human services programs.	860,695	-	860,695
Community and economic development	296,242	-	296,242
SCOC programs.	5,651,498	-	5,651,498
Roads and bridges.	15,946,396	-	15,946,396
Other purposes.	173,808	-	173,808
Debt service.	-	131,246	131,246
Unrestricted (deficit)	(9,228,539)	1,019,491	(8,209,048)
Total net position	\$ 91,957,165	\$ 3,696,764	\$ 95,653,929

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Component Units	
Seneca County Land Reutilization Corporation	Seneca County Transportation Improvement District
\$ 131,876	\$ 4,012
-	-
-	-
-	-
-	-
167,014	80,839
-	-
-	-
-	-
-	-
-	-
28,300	-
-	-
-	-
-	-
-	-
-	-
<u>327,190</u>	<u>84,851</u>
-	-
-	-
-	-
22,750	1
-	-
-	-
-	-
-	80,839
-	-
-	-
-	-
-	-
-	-
-	-
<u>22,750</u>	<u>80,840</u>
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
304,440	4,011
<u>\$ 304,440</u>	<u>\$ 4,011</u>

SENECA COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive.	\$ 11,243,233	\$ 3,011,675	\$ 906,929	\$ 851,563
Judicial	2,932,446	1,079,650	253,570	-
Public safety.	10,204,305	2,490,791	2,191,133	-
Public works.	7,380,732	310,755	5,072,577	737,398
Health	13,248,403	1,625,163	5,483,358	-
Human services	10,016,255	253,139	7,997,941	-
Conservation and recreation.	130,844	-	-	-
Community and economic development	212,873	-	97,758	-
Interest and fiscal charges.	266,535	-	-	-
Total governmental activities	<u>55,635,626</u>	<u>8,771,173</u>	<u>22,003,266</u>	<u>1,588,961</u>
Business-type activities:				
County Sewer District	601,963	432,299	-	-
Emergency Medical Services.	398,059	328,648	14,902	-
Total business-type activities	<u>1,000,022</u>	<u>760,947</u>	<u>14,902</u>	<u>-</u>
Totals	<u>\$ 56,635,648</u>	<u>\$ 9,532,120</u>	<u>\$ 22,018,168</u>	<u>\$ 1,588,961</u>
Component Unit:				
Seneca County Land Reutilization Corporation.	\$ 327,362	\$ -	\$ 167,014	\$ -
Transportation Improvement District Seneca County.	81,238	-	-	83,264

General revenues:

- Property taxes levied for:
 - General purposes
 - Seneca County Opportunity Center.
- Other local taxes levied for:
 - Lodging excise tax.
 - Sales taxes.
 - Grants and entitlements not restricted to specific programs.
 - Contributions and donations.
 - Investment earnings
 - Miscellaneous
- Total general revenues
- Transfers
- Total transfers and general revenues.
- Change in net position
- Net position 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**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Seneca County Land Reutilization Corporation	Seneca County Transportation Improvement District
\$ (6,473,066)	\$ -	\$ (6,473,066)	\$ -	\$ -
(1,599,226)	-	(1,599,226)	-	-
(5,522,381)	-	(5,522,381)	-	-
(1,260,002)	-	(1,260,002)	-	-
(6,139,882)	-	(6,139,882)	-	-
(1,765,175)	-	(1,765,175)	-	-
(130,844)	-	(130,844)	-	-
(115,115)	-	(115,115)	-	-
(266,535)	-	(266,535)	-	-
<u>(23,272,226)</u>	<u>-</u>	<u>(23,272,226)</u>	<u>-</u>	<u>-</u>
-	(169,664)	(169,664)	-	-
-	(54,509)	(54,509)	-	-
<u>-</u>	<u>(224,173)</u>	<u>(224,173)</u>	<u>-</u>	<u>-</u>
<u>(23,272,226)</u>	<u>(224,173)</u>	<u>(23,496,399)</u>	<u>-</u>	<u>-</u>
-	-	-	(160,348)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,026</u>
2,578,729	-	2,578,729	-	-
9,144,052	-	9,144,052	-	-
100,933	-	100,933	-	-
9,712,194	-	9,712,194	-	-
2,105,883	-	2,105,883	99,596	-
9,243	-	9,243	-	-
1,032,288	1,473	1,033,761	30	-
1,631,715	21,826	1,653,541	-	-
<u>26,315,037</u>	<u>23,299</u>	<u>26,338,336</u>	<u>99,626</u>	<u>-</u>
<u>(345,000)</u>	<u>345,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>25,970,037</u>	<u>368,299</u>	<u>26,338,336</u>	<u>99,626</u>	<u>-</u>
2,697,811	144,126	2,841,937	(60,722)	2,026
89,259,354	3,552,638	92,811,992	365,162	1,985
<u>\$ 91,957,165</u>	<u>\$ 3,696,764</u>	<u>\$ 95,653,929</u>	<u>\$ 304,440</u>	<u>\$ 4,011</u>

SENECA COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 7,913,994	\$ 16,180,683	\$ 16,605,356	\$ 9,529,231	\$ 50,229,264
Cash and cash equivalents in segregated accounts	171,658	-	-	-	171,658
Cash and cash equivalents with fiscal agent	-	-	-	44,404	44,404
Receivables:					
Sales taxes	2,616,005	-	-	-	2,616,005
Property and other local taxes	2,923,469	-	9,621,087	16,883	12,561,439
Accounts	343,631	27,553	-	165,813	536,997
Due from other funds	45,220	-	-	-	45,220
Interfund loans	31,454	-	-	-	31,454
Accrued interest	49,625	12,477	-	-	62,102
Intergovernmental	981,509	2,766,779	323,841	110,820	4,182,949
Loans	-	-	-	93,686	93,686
Due from component unit	-	80,839	-	-	80,839
Loans to other funds	158,022	-	-	-	158,022
Materials and supplies inventory	94,324	428,028	23,984	3,692	550,028
Prepayments	182,519	9,280	60,936	43,372	296,107
Total assets	<u>\$ 15,511,430</u>	<u>\$ 19,505,639</u>	<u>\$ 26,635,204</u>	<u>\$ 10,007,901</u>	<u>\$ 71,660,174</u>
Liabilities:					
Accounts payable	\$ 243,167	\$ 27,878	\$ 145,671	\$ 695,126	\$ 1,111,842
Contracts payable	19,049	-	144,400	-	163,449
Accrued wages and benefits payable	319,243	48,756	224,180	165,942	758,121
Due to other governments	219,882	8,987	111,956	67,468	408,293
Due to other funds	-	1,000	-	44,014	45,014
Interfund loans payable	-	-	-	31,454	31,454
Loans from other funds	-	-	-	158,022	158,022
Unearned revenue	-	-	-	121,803	121,803
Payroll withholding payable	32,491	-	37,628	-	70,119
Total liabilities	<u>833,832</u>	<u>86,621</u>	<u>663,835</u>	<u>1,283,829</u>	<u>2,868,117</u>
Deferred inflows of resources:					
Property taxes levied for the subsequent year	2,502,708	-	8,254,748	-	10,757,456
Delinquent property taxes not available	420,761	-	1,366,339	-	1,787,100
Accrued interest not available	18,548	3,910	-	-	22,458
Fines and forfeitures not available	130,974	-	-	140,552	271,526
Intergovernmental revenue not available	526,029	1,920,743	251,888	-	2,698,660
Sales taxes not available	978,216	-	-	-	978,216
Total deferred inflows of resources	<u>4,577,236</u>	<u>1,924,653</u>	<u>9,872,975</u>	<u>140,552</u>	<u>16,515,416</u>
Fund balances:					
Nonspendable	606,523	437,308	84,920	47,064	1,175,815
Restricted	-	17,057,057	16,013,474	7,582,100	40,652,631
Committed	11,855	-	-	-	11,855
Assigned	3,558,591	-	-	1,065,656	4,624,247
Unassigned (deficit)	5,923,393	-	-	(111,300)	5,812,093
Total fund balances	<u>10,100,362</u>	<u>17,494,365</u>	<u>16,098,394</u>	<u>8,583,520</u>	<u>52,276,641</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,511,430</u>	<u>\$ 19,505,639</u>	<u>\$ 26,635,204</u>	<u>\$ 10,007,901</u>	<u>\$ 71,660,174</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

Total governmental fund balances		\$ 52,276,641
<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.		83,427,138
Investments in joint ventures by the governmental activities are not financial resources and therefore are not reported in the funds.		5,804,519
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 978,216	
Delinquent property taxes receivable	1,787,100	
Accounts receivable	271,526	
Intergovernmental receivable	2,391,944	
Accrued interest receivable	22,458	
Total	5,451,244	5,451,244
On the statement of net position interest is accrued on outstanding bonds payable, whereas in the governmental funds interest is accrued when due.		(22,871)
Unamortized prepaid bond insurance costs are amortized over the life of the bonds on the statement of net position.		27,897
Unamortized premiums on bond issuances are not recognized in the governmental funds.		(397,726)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(2,350,450)	
General obligation bonds payable	(8,260,000)	
Loans payable	(415,943)	
Total	(11,026,393)	(11,026,393)
The net pension asset is not available to pay for the current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	4,257,547	
Deferred inflows of resources - pension	(5,689,200)	
Net pension asset	206,467	
Net pension liability	(25,716,944)	
Total	(26,942,130)	(26,942,130)
The net OPEB asset is not available to pay for the current period expenditures and the net OPEB liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	2,797,632	
Deferred inflows of resources - OPEB	(2,637,944)	
Net OPEB asset	74,511	
Net OPEB liability	(16,875,353)	
Total	(16,641,154)	(16,641,154)
Net position of governmental activities		\$ 91,957,165

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	<u>General</u>	<u>Maintenance and Repair</u>	<u>Seneca County Opportunity Center</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 2,315,364	\$ -	\$ 8,280,391	\$ 100,933	\$ 10,696,688
Sales taxes.	9,673,760	-	-	-	9,673,760
Special assessments	-	-	-	383,249	383,249
Charges for services.	3,693,630	30,018	1,437,113	1,760,997	6,921,758
Licenses and permits	2,623	-	-	39,589	42,212
Fines and forfeitures.	802,225	19,640	-	338,269	1,160,134
Intergovernmental.	2,823,181	5,356,577	3,119,727	14,438,500	25,737,985
Interest.	969,866	140,947	-	4,818	1,115,631
Rent	111,626	-	-	214,923	326,549
Contributions and donations.	9,243	-	8,966	248,077	266,286
Other.	1,292,447	52,064	85,549	201,657	1,631,717
Total revenues	21,693,965	5,599,246	12,931,746	17,731,012	57,955,969
Expenditures:					
Current:					
General government:					
Legislative and executive	6,821,298	-	-	1,224,284	8,045,582
Judicial.	2,335,062	-	-	341,438	2,676,500
Public safety	6,387,406	-	-	2,268,601	8,656,007
Public works	61,919	5,549,945	-	264,149	5,876,013
Health	123,790	-	9,786,038	2,833,308	12,743,136
Human services	343,751	-	-	8,889,200	9,232,951
Conservation and recreation	113,191	-	-	-	113,191
Community and economic development	-	-	-	212,873	212,873
Capital outlay	588,390	-	-	1,299,771	1,888,161
Debt service:					
Principal retirement	2,633	-	-	447,657	450,290
Interest and fiscal charges	61	-	-	285,038	285,099
Total expenditures	16,777,501	5,549,945	9,786,038	18,066,319	50,179,803
Excess (deficiency) of revenues over (under) expenditures.	4,916,464	49,301	3,145,708	(335,307)	7,776,166
Other financing sources (uses):					
Sale of capital assets.	1,200	109,000	-	-	110,200
Transfers in	527	-	21,693	2,066,949	2,089,169
Transfers (out).	(2,411,949)	-	-	(22,220)	(2,434,169)
Total other financing sources (uses)	(2,410,222)	109,000	21,693	2,044,729	(234,800)
Net change in fund balances	2,506,242	158,301	3,167,401	1,709,422	7,541,366
Fund balances at beginning of year	7,594,120	17,336,064	12,930,993	6,874,098	44,735,275
Fund balances at end of year	\$ 10,100,362	\$ 17,494,365	\$ 16,098,394	\$ 8,583,520	\$ 52,276,641

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

Net change in fund balances - total governmental funds	\$	7,541,366
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 5,248,795	
Current year depreciation	<u>(4,076,522)</u>	
Total		1,172,273
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(3,397,540)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	38,434	
Property taxes	1,127,026	
Intergovernmental revenues	(296,917)	
Accounts receivable	(62,732)	
Investment income	<u>(83,343)</u>	
Total		722,468
Equity interests in joint ventures do not represent current resources and are not reported in the funds; however, gains or losses resulting from these investments increase or decrease assets on the statement of net position.		208,693
Repayment of bond, loans and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		450,290
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	883	
Amortization of bond premiums	19,015	
Amortization of prepaid bond insurance	<u>(1,334)</u>	
Total		18,564
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
OPEB		19,932
Pension		2,608,847
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
OPEB		(2,035,717)
Pension		(4,347,272)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(264,093)</u>
Change in net position of governmental activities	\$	<u>2,697,811</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,367,118	\$ 2,332,790	\$ 2,332,790	\$ -
Sales taxes	8,679,000	9,549,349	9,549,349	-
Charges for services	3,618,730	3,330,538	3,314,047	(16,491)
Licenses and permits	2,650	2,725	2,623	(102)
Fines and forfeitures	188,600	186,351	183,922	(2,429)
Intergovernmental	1,913,718	2,966,214	2,830,216	(135,998)
Interest	601,600	668,924	552,659	(116,265)
Rent	111,345	75,260	79,448	4,188
Contributions and donations	20,000	9,258	9,243	(15)
Other	386,970	1,189,053	1,217,201	28,148
Total revenues	<u>17,889,731</u>	<u>20,310,462</u>	<u>20,071,498</u>	<u>(238,964)</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	6,505,892	7,123,612	7,004,102	119,510
Judicial	2,786,970	2,357,087	2,301,816	55,271
Public safety	7,031,708	6,720,777	5,790,740	930,037
Public works	93,696	64,081	58,966	5,115
Health	123,958	123,755	123,755	-
Human services	815,787	627,099	539,379	87,720
Conservation and recreation	181,974	112,207	112,197	10
Capital outlay	-	627,481	588,390	39,091
Total expenditures	<u>17,539,985</u>	<u>17,756,099</u>	<u>16,519,345</u>	<u>1,236,754</u>
Excess of revenues over expenditures	<u>349,746</u>	<u>2,554,363</u>	<u>3,552,153</u>	<u>997,790</u>
Other financing sources (uses):				
Sale of capital assets	-	2,026	1,200	(826)
Advances in	-	-	194,158	194,158
Advances (out)	-	-	(31,454)	(31,454)
Transfers in	201,569	885,575	885,575	-
Transfers (out)	(1,613,289)	(2,899,624)	(2,795,981)	103,643
Total other financing sources (uses)	<u>(1,411,720)</u>	<u>(2,012,023)</u>	<u>(1,746,502)</u>	<u>265,521</u>
Net change in fund balance	(1,061,974)	542,340	1,805,651	1,263,311
Fund balance at beginning of year	1,013,609	1,013,609	1,013,609	-
Prior year encumbrances appropriated . . .	1,054,674	1,054,674	1,054,674	-
Fund balance at end of year	<u>\$ 1,006,309</u>	<u>\$ 2,610,623</u>	<u>\$ 3,873,934</u>	<u>\$ 1,263,311</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 29,627	\$ 14,627
Fines and forfeitures.	30,000	30,000	21,011	(8,989)
Intergovernmental	4,550,000	4,550,000	5,456,144	906,144
Interest.	55,000	55,000	84,141	29,141
Other.	10,500	10,500	29,041	18,541
Total revenues	<u>4,660,500</u>	<u>4,660,500</u>	<u>5,619,964</u>	<u>959,464</u>
Expenditures:				
Current:				
Public works.	4,752,395	6,334,600	6,041,490	293,110
Excess of expenditures over revenues	<u>(91,895)</u>	<u>(1,674,100)</u>	<u>(421,526)</u>	<u>1,252,574</u>
Other financing sources:				
Sale of capital assets	5,000	5,000	109,000	104,000
Net change in fund balance	<u>(86,895)</u>	<u>(1,669,100)</u>	<u>(312,526)</u>	<u>1,356,574</u>
Fund balance at beginning of year	15,642,065	15,642,065	15,642,065	-
Prior year encumbrances appropriated . . .	388,034	388,034	388,034	-
Fund balance at end of year	<u>\$ 15,943,204</u>	<u>\$ 14,360,999</u>	<u>\$ 15,717,573</u>	<u>\$ 1,356,574</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 6,426,000	\$ 8,360,185	\$ 8,360,185	\$ -
Charges for services	1,289,300	1,437,113	1,437,113	-
Intergovernmental	3,061,282	3,218,847	3,250,866	32,019
Rent	99,431	-	-	-
Contributions and donations.	4,000	8,966	8,966	-
Other.	-	83,855	85,700	1,845
Total revenues	<u>10,880,013</u>	<u>13,108,966</u>	<u>13,142,830</u>	<u>33,864</u>
Expenditures:				
Current:				
Health.	21,209,423	21,285,486	10,959,712	10,325,774
Excess (deficiency) of revenues over (under) expenditures	<u>(10,329,410)</u>	<u>(8,176,520)</u>	<u>2,183,118</u>	<u>10,359,638</u>
Other financing sources (uses):				
Transfers in	22,983	21,693	21,693	-
Transfers (out).	(437,356)	(437,356)	-	437,356
Total other financing sources (uses)	<u>(414,373)</u>	<u>(415,663)</u>	<u>21,693</u>	<u>437,356</u>
Net change in fund balance	<u>(10,743,783)</u>	<u>(8,592,183)</u>	<u>2,204,811</u>	<u>10,796,994</u>
Fund balance at beginning of year	11,696,447	11,696,447	11,696,447	-
Prior year encumbrances appropriated	<u>1,076,072</u>	<u>1,076,072</u>	<u>1,076,072</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,028,736</u>	<u>\$ 4,180,336</u>	<u>\$ 14,977,330</u>	<u>\$ 10,796,994</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 789,313	\$ 849,733	\$ 1,639,046
Receivables:			
Accounts	134,228	116,131	250,359
Prepayments	523	323	846
Total current assets	<u>924,064</u>	<u>966,187</u>	<u>1,890,251</u>
Noncurrent assets:			
Net pension asset.	772	1,597	2,369
Capital assets:			
Non-depreciable capital assets	26,243	-	26,243
Depreciable capital assets, net	4,931,525	352,333	5,283,858
Total capital assets, net.	<u>4,957,768</u>	<u>352,333</u>	<u>5,310,101</u>
Total noncurrent assets	<u>4,958,540</u>	<u>353,930</u>	<u>5,312,470</u>
Total assets.	<u>5,882,604</u>	<u>1,320,117</u>	<u>7,202,721</u>
Deferred outflows of resources:			
Pension	15,513	32,525	48,038
OPEB	10,610	22,157	32,767
Total deferred outflows of resources	<u>26,123</u>	<u>54,682</u>	<u>80,805</u>
Liabilities:			
Current liabilities:			
Accounts payable	9,787	10,459	20,246
Accrued wages and benefits payable.	2,269	-	2,269
Due to other funds	206	-	206
Due to other governments	15,436	90	15,526
Accrued interest payable	18,980	-	18,980
Revenue bonds payable.	59,000	-	59,000
OPWC loans payable	684	-	684
Total current liabilities	<u>106,362</u>	<u>10,549</u>	<u>116,911</u>
Long-term liabilities:			
Compensated absences payable.	-	40,614	40,614
Revenue bonds payable	2,701,652	-	2,701,652
OPWC loans payable	2,738	-	2,738
Net pension liability.	92,314	190,927	283,241
Net OPEB liability.	63,093	130,491	193,584
Total long-term liabilities	<u>2,859,797</u>	<u>362,032</u>	<u>3,221,829</u>
Total liabilities.	<u>2,966,159</u>	<u>372,581</u>	<u>3,338,740</u>
Deferred inflows of resources:			
Pension	20,326	142,675	163,001
OPEB	9,352	75,669	85,021
Total deferred inflows of resources	<u>29,678</u>	<u>218,344</u>	<u>248,022</u>
Net position:			
Net investment in capital assets	2,193,694	352,333	2,546,027
Restricted for debt service	131,246	-	131,246
Unrestricted.	587,950	431,541	1,019,491
Total net position.	<u>\$ 2,912,890</u>	<u>\$ 783,874</u>	<u>3,696,764</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Operating revenues:			
Charges for services	\$ 430,908	\$ 328,648	\$ 759,556
Tap-in fees	1,391	-	1,391
Other operating revenues.	16,556	5,270	21,826
Total operating revenues.	448,855	333,918	782,773
Operating expenses:			
Personal services	92,325	48,299	140,624
Contract services	240,791	87,743	328,534
Materials and supplies	13,461	61,844	75,305
Depreciation	176,847	172,634	349,481
Other	1,444	27,539	28,983
Total operating expenses	524,868	398,059	922,927
Operating loss	(76,013)	(64,141)	(140,154)
Nonoperating revenues (expenses):			
Interest income	1,473	-	1,473
Interest and fiscal charges	(77,095)	-	(77,095)
Grants and subsidies	-	14,902	14,902
Total nonoperating revenues (expenses)	(75,622)	14,902	(60,720)
Loss before transfers	(151,635)	(49,239)	(200,874)
Transfer in	-	345,000	345,000
Change in net position	(151,635)	295,761	144,126
Net position at beginning of year	3,064,525	488,113	3,552,638
Net position at end of year.	\$ 2,912,890	\$ 783,874	\$ 3,696,764

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	Business-type Activities - Enterprise Funds		
	County Sewer District	Nonmajor Enterprise	Total
Cash flows from operating activities:			
Cash received from customers	\$ 466,238	\$ 330,858	\$ 797,096
Cash received from tap-in fees	1,391	-	1,391
Cash received from other operations	16,556	5,270	21,826
Cash payments for personal services	(79,230)	(110,543)	(189,773)
Cash payments for contractual services	(244,001)	(89,670)	(333,671)
Cash payments for materials and supplies	(11,387)	(56,421)	(67,808)
Cash payments for other expenses	(1,136)	(26,677)	(27,813)
Net cash provided by operating activities	<u>148,431</u>	<u>52,817</u>	<u>201,248</u>
Cash flows from noncapital financing activities:			
Cash received from grants and subsidies	-	14,902	14,902
Cash received from transfers in	105,821	345,000	450,821
Cash used in transfers out	(105,821)	-	(105,821)
Net cash provided by noncapital financing activities	<u>-</u>	<u>359,902</u>	<u>359,902</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(204,581)	(204,581)
Principal retirement on revenue bonds	(57,000)	-	(57,000)
Principal retirement on loans	(343)	-	(343)
Interest and fiscal charges	(77,486)	-	(77,486)
Net cash used in capital and related financing activities	<u>(134,829)</u>	<u>(204,581)</u>	<u>(339,410)</u>
Cash flows from investing activities:			
Interest received	<u>1,473</u>	<u>-</u>	<u>1,473</u>
Net increase in cash and cash equivalents	15,075	208,138	223,213
Cash and cash equivalents at beginning of year	<u>774,238</u>	<u>641,595</u>	<u>1,415,833</u>
Cash and cash equivalents at end of year	<u>\$ 789,313</u>	<u>\$ 849,733</u>	<u>\$ 1,639,046</u>

(Continued)

SENECA COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>County Sewer District</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (76,013)	\$ (64,141)	\$ (140,154)
Adjustments:			
Depreciation	176,847	172,634	349,481
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable.	36,318	2,210	38,528
Prepayments.	449	2,291	2,740
Net pension asset	(385)	(133)	(518)
Deferred outflows - pension	22,203	118,867	141,070
Deferred outflows - OPEB	(5,951)	(243)	(6,194)
Accounts payable	1,356	3,921	5,277
Accrued wages and benefits	422	(7,450)	(7,028)
Due to other governments	(1,024)	(1,169)	(2,193)
Amounts due to other funds.	(1,352)	(1)	(1,353)
Compensated absences payable	-	(7,966)	(7,966)
Net pension liability.	(33,784)	(285,938)	(319,722)
Net OPEB liability	4,535	(90,958)	(86,423)
Deferred inflows - pension	17,337	135,825	153,162
Deferred inflows - OPEB	8,461	75,068	83,529
Unearned revenue.	(988)	-	(988)
Net cash provided by operating activities	<u>\$ 148,431</u>	<u>\$ 52,817</u>	<u>\$ 201,248</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 13,237,072
Cash in segregated accounts	184,607
Receivables (net of allowances for uncollectibles):	
Taxes - current	60,466,204
Taxes - delinquent	10,870,565
Accounts	672,604
Due from other governments	2,937,255
Prepayments	36,399
 Total assets	 88,404,706
Liabilities:	
Accounts payable	605,454
Accrued wages and benefits	73,192
Compensated absences payable	255,188
Due to other governments	2,386,589
Unearned revenue	50
 Total liabilities	 3,320,473
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	60,466,204
 Net position:	
Restricted for individuals, organizations and other governments .	\$ 24,618,029

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

	Custodial
Additions:	
Intergovernmental	\$ 12,893,618
Amounts received as fiscal agent	14,180,745
Licenses, permits and fees for other governments	5,485,219
Fines and forfeitures for other governments	450,920
Property tax collection for other governments	63,812,875
Special assessments collections for other governments	576,872
Other custodial fund collections	487,831
Total additions	97,888,080
Deductions:	
Distributions of state funds to other governments	8,915,406
Distributions as fiscal agent	12,553,292
Distributions to individuals	500,830
Licenses, permits and fees distributions to other governments	5,500,864
Fines and forfeitures distributions to other governments	466,405
Property tax distributions to other governments	58,164,286
Special assessment distributions to other governments	576,872
Distributions of federal funds to other governments	3,596,899
Other custodial fund disbursements	289
Total deductions	90,275,143
Net change in fiduciary net position	7,612,937
Net position beginning of year	17,005,092
Net position end of year	\$ 24,618,029

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

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

NOTE 1 - REPORTING ENTITY

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

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. Seneca County boards include the Board of Developmental Disabilities (Board of DD), the Job and Family Services Department and all departments and activities that are operated directly by the elected County officials.

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

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

Seneca County Land Reutilization Corporation

The Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the County). By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and return properties to productive use. Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. Separately issued financial statements can be obtained from the Seneca County Land Reutilization Corporation, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

SENECA COUNTY

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

NOTE 1 - REPORTING ENTITY - (Continued)

Seneca County Transportation Improvement District (SCTID)

The SCTID is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The SCTID was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The SCTID was created by action of the Board of Seneca County Commissioners on October 25, 2017. The SCTID is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Seneca County Commissioners. In addition, the County is able to impose its will on the SCTID. SCTID's year end is December 31. Separately issued financial statements can be obtained from the Seneca County Transportation Improvement District, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

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

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

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

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

Sandusky County-Seneca County - City of Tiffin Port Authority

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

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

SENECA COUNTY

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

NOTE 1 - REPORTING ENTITY - (Continued)

Ottawa-Sandusky-Seneca County Solid Waste District

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

Mental Health and Recovery Services (MHRS)

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

Northland Homes and Properties, Inc.

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

County Risk Sharing Authority, Inc. (CORSA)

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

SENECA COUNTY

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

NOTE 1 - REPORTING ENTITY - (Continued)

County Employee Benefits Consortium of Ohio, Inc (CEBCO)

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

County Commissioners' Association of Ohio Service Corporation (CCAOSC)

The CCAOSC is an Ohio corporation established to create an employer group workers compensation-rating plan as regulated by Section 4123.29 of the Ohio Revised Code. The CCAOSC is intended to achieve lower workers' compensation rates for the Group and establish safer working conditions and environments for each participant. The corporation is administered by a Group Executive Committee, which consists of seven members. Two of the members are the President and Treasurer of CCAOSC and five members, who must be County Commissioners, are elected by the participants as their representatives.

North Central Ohio Regional Council of Governments (NCORcog)

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

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

Clearwater Council of Governments

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

SENECA COUNTY

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

NOTE 1 - REPORTING ENTITY - (Continued)

Metro-Richland County (METRICH)

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

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

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

SENECA COUNTY

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

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

B. Fund Accounting

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

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

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

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

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

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

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

The following is the County's major enterprise fund:

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

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

SENECA COUNTY

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

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

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

D. Basis of Accounting

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

SENECA COUNTY

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

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

Revenues-Exchange and Non-Exchange Transactions

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 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, intergovernmental grants, and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

Expenses/Expenditures

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

SENECA COUNTY

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

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

E. Budgetary Process

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

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

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2020.

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments". During 2020, investments were limited to STAR Ohio, negotiable certificates of deposit (CDs), U.S. Government money market accounts, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal National Mortgage Association (FNMA) securities, US Treasury notes, US Bank commercial paper, Non-taxable municipal bonds, a taxable municipal issue.

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

During 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.

SENECA COUNTY

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

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

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.

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

Interest earnings are allocated to County funds according to State statutes and grant requirements. Interest revenue credited to the General fund during 2020 was \$969,866, which includes approximately \$816,882 assigned from the other County funds.

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

G. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2020 are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

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

I. Loans Receivable

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

J. Capital Assets

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

SENECA COUNTY

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

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

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

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

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

K. Interfund Balances

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

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

L. Compensated Absences

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

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

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

SENECA COUNTY

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

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

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

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

O. Fund Balance

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

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

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

SENECA COUNTY

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

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

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

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

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

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

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

R. Interfund Transactions

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

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

SENECA COUNTY

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. No events of this nature occurred during 2020.

T. Estimates

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 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

SENECA COUNTY

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

<u>Nonmajor funds</u>	<u>Deficit</u>
CDBG capital project	\$ 6,958
Selective traffic enforcement	19
Electronic monitoring	21
Wolf creek ditch project	104,288

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 demands upon the County treasury and must be maintained as cash in the County Treasury, or in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive and can be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes or any other obligations or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited, to passbook accounts;
6. No load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Trasury Asset Reserve of Ohio (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in 1 or 2 above, or cash, or both securities and cash, equal value for equal value;

SENECA COUNTY

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

9. High grade commercial paper issued by companies incorporated under the laws of the United States that are rated in the highest classification established by at least two nationally recognized standard rating services. Commercial paper notes are limited to final maturities of 270 days after the date of purchase and must not exceed ten percent of the aggregate value of the outstanding commercial paper for the issuing corporation and not to exceed 40 percent of the interim monies available for investment at any one time if trading requirements have been met; and,
10. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation (FDIC). Bankers acceptances are limited to final maturities of 180 days after the date of purchase and must be eligible for purchase by the Federal Reserve System and not to exceed 40 percent of the interim monies available for investment at any one time if trading requirements have been met.

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.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. Also, investments in foreign nations that are diplomatically recognized by the United States are limited to 1 percent of the total average portfolio.

A. Deposits with Financial Institutions

At December 31, 2020, the carrying amount of all County deposits was \$13,616,019 and the bank balance of all County deposits was \$14,075,939. Of the bank balance, \$1,900,357 was covered by the FDIC and \$12,175,582 was exposed to custodial credit risk discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the County was in the OPCS; however, certain County financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

SENECA COUNTY

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash on Hand

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

C. Cash and Cash Equivalents with Fiscal Agents

At year end, the County had \$44,404 in monies held by a fiscal agent. These monies were set aside for future debt service payments.

These amounts have been included on the financial statements of the County as “cash and cash equivalents with fiscal agents.

D. 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>Amortized Cost:</i>						
STAR Ohio	\$ 14,046,766	\$ 14,046,766	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
Non-taxable municipal bonds	3,105,741	2,246,037	608,274	-	-	251,430
Commercial paper	200,000	200,000	-	-	-	-
Negotiable CD's	12,640,171	746,391	2,268,170	1,265,482	1,545,733	6,814,395
U.S. Government money market	240,902	240,902	-	-	-	-
FHLB	1,440,968	-	-	-	-	1,440,968
FHLMC	7,174,917	-	-	-	1,535,211	5,639,706
FFCB	8,063,702	-	-	1,112,331	1,350,885	5,600,486
FNMA	2,758,902	-	201,938	-	-	2,556,964
U.S. treasury notes	530,492	165,150	-	365,342	-	-
Taxable municipal issue	1,685,471	651,372	768,077	266,022	-	-
Total	\$ 51,888,032	\$ 18,296,618	\$ 3,846,459	\$ 3,009,177	\$ 4,431,829	\$ 22,303,949

The weighted average maturity of investments is 1.83 years.

The County's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in negotiable CD's, commercial paper, federal agency securities (FHLB, FHLMC, FFCB and FNMA), U.S. treasury notes, taxable municipal issues and non-taxable 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 maturities only to matching anticipated cash flow requirements.

SENECA COUNTY

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County's U.S. Bank commercial paper account was exposed to custodial credit risk, while the County's negotiable CDs were covered by the FDIC. The County's investment policy addresses custodial credit risk.

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

<u>Measurement/ Investment Type</u>	Measurement	
	<u>Amount</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 14,046,766	27.07
<i>Fair Value:</i>		
Non-taxable municipal bonds	3,105,741	5.99
Commercial paper	200,000	0.39
Negotiable CD's	12,640,171	24.36
U.S. Government money market	240,902	0.46
FHLB	1,440,968	2.78
FHLMC	7,174,917	13.83
FFCB	8,063,702	15.54
FNMA	2,758,902	5.32
U.S. treasury notes	530,492	1.02
Taxable municipal issue	<u>1,685,471</u>	<u>3.25</u>
Total	<u>\$ 51,888,032</u>	<u>100.00</u>

SENECA COUNTY

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,616,019
Investments	51,888,032
Cash on hand	<u>2,000</u>
Total	<u>\$ 65,506,051</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 50,445,326
Business-type activities	1,639,046
Custodial funds	<u>13,421,679</u>
Total	<u>\$ 65,506,051</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Short-term interfund loans receivable/payable consisted of the following at December 31, 2020, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	<i>Nonmajor governmental funds:</i>	
	Sheriff highway safety grant	\$ 22,054
	CDBG capital project	<u>9,400</u>
	Total short-term interfund loans payable/receivable	<u>\$ 31,454</u>

The short-term interfund loans receivable balances in the General fund and other nonmajor governmental funds resulted from advances made to provide working capital for operations and other projects. All advances were authorized by resolution of the County Commissioners. Short-term interfund loans between governmental funds are eliminated for reporting on the statement of net position.

B. Long-term interfund loans payable/receivable consisted of the following at December 31, 2020:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	<i>Nonmajor governmental funds:</i>	
	Community correction	\$ 10,000
	Selective traffic enforcement	5,000
	Wolf creek ditch project	<u>143,022</u>
	Total long-term interfund loans payable/receivable	<u>\$ 158,022</u>

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

SENECA COUNTY

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

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- C. Amounts due to/from other funds consisted of the following at December 31, 2020, as reported on the fund financial statements:

	Due from other funds (receivable)	
Due to other funds (payable):	General Fund	
Maintenance and repair	\$	1,000
Nonmajor governmental		44,014
County sewer district enterprise		206
Total	\$	45,220

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

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

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

	Transfer from:		
	General	Nonmajor Governmental	Total
Transfer to:			
General	\$ -	\$ 527	\$ 527
Seneca County opportunity center	-	21,693	21,693
Nonmajor governmental funds	2,066,949	-	2,066,949
EMS nonmajor enterprise	345,000	-	345,000
Total	\$ 2,411,949	\$ 22,220	\$ 2,434,169

The \$527 transfer from the Sheriff highway safety grant nonmajor special revenue fund to the General fund was a transfer of residual equity upon fund closure. The \$21,693 transfer from the nonmajor County capital projects fund to the Seneca County Opportunity Center fund was authorized by court order.

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

NOTE 6 - PROPERTY TAXES

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

SENECA COUNTY

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

The full tax rate for all County operations for the year ended December 31, 2020 was \$10.60 per \$1,000 of assessed value. \$1.90 per \$1,000 of assessed value is levied for the general operations, while the remaining \$8.70 is levied for the Seneca County Opportunity Center.

The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

Real Property	\$ 1,064,664,700	72.53 %
Public Utility Personal Property	<u>403,282,560</u>	<u>27.47 %</u>
Total Assessed Value	<u>\$ 1,467,947,260</u>	<u>100.00 %</u>

NOTE 7 - PERMISSIVE SALES AND USE TAX

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

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within the forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

A receivable is recognized at year-end for amounts that will be received from sales, which occurred during 2020. On an accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable not collected within the available period is recorded as a deferred inflow of resources.

SENECA COUNTY

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, interest, accounts (billings for user charged services including unbilled utility services, fines and forfeitures), loans (community development block grant monies loaned to local businesses) and intergovernmental receivables arising from grants, entitlements and shared revenues. All intergovernmental revenues are considered collectible in full. Sewer enterprise fund receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

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

Loans receivable to be collected in the CDBG fund (a nonmajor governmental fund) amount to \$93,686, of which \$60,096 is expected to be collected in more than one year.

A summary of the principal items of intergovernmental receivables follows:

<i>Fund Type/Fund</i>	<i>Description</i>	<i>Amount</i>
Major Funds		
General Fund	Local Government	\$ 371,093
	Homestead and Rollback	128,874
	Jail Housing	120,237
	Casino revenue	329,141
	Defense of Indigents	31,834
	Grant	330
<i>Total General Fund</i>		<u>981,509</u>
Maintenance and Repair	Motor Vehicle License	980,085
	Gasoline Tax	1,786,694
<i>Total Maintenance and Repair</i>		<u>2,766,779</u>
Seneca County Opportunity Center	Homestead and rollback	251,888
	Miscellaneous Grants	71,953
<i>Total Seneca County Opportunity Center</i>		<u>323,841</u>
Nonmajor Governmental Funds		
Victims of crime act grant	Grant	11,102
County/Township road reconstruction grant	Grant	92,908
Help America vote act	Grant	3,229
Emergency management agency	Grant	3,581
<i>Total Nonmajor Governmental Funds</i>		<u>110,820</u>
Total		<u><u>\$ 4,182,949</u></u>

SENECA COUNTY

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

NOTE 9 - CAPITAL ASSETS

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

Governmental Activities:	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
<i>Non-depreciable Capital Assets</i>				
Land and Improvements	\$ 21,538,294	\$ 773,689	\$ -	\$ 22,311,983
Construction in Progress	1,522,326	70,003	-	1,592,329
Total Non-depreciable Capital Assets	<u>23,060,620</u>	<u>843,692</u>	<u>-</u>	<u>23,904,312</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	591,056	135,994	-	727,050
Buildings and Improvements	49,820,754	55,614	(2,354,167)	47,522,201
Machinery and Equipment	14,157,716	1,541,633	(525,911)	15,173,438
Infrastructure	47,222,425	2,671,862	(4,233,914)	45,660,373
Total Depreciable Capital Assets	<u>111,791,951</u>	<u>4,405,103</u>	<u>(7,113,992)</u>	<u>109,083,062</u>
Less: Accumulated Depreciation:				
Land Improvements	(216,933)	(42,803)	-	(259,736)
Buildings and Building Improvements	(21,165,311)	(1,433,612)	987,231	(21,611,692)
Machinery and Equipment	(10,530,970)	(981,677)	442,552	(11,070,095)
Infrastructure	(17,286,952)	(1,618,430)	2,286,669	(16,618,713)
Total Accumulated Depreciation	<u>(49,200,166)</u>	<u>(4,076,522)</u>	<u>3,716,452</u>	<u>(49,560,236)</u>
Total Depreciable Capital Assets, Net	<u>62,591,785</u>	<u>328,581</u>	<u>(3,397,540)</u>	<u>59,522,826</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 85,652,405</u>	<u>\$ 1,172,273</u>	<u>\$ (3,397,540)</u>	<u>\$ 83,427,138</u>

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities:</u>	
General government:	
Legislative and executive	\$ 1,512,918
Judicial	45,277
Public safety	394,364
Public works	1,949,949
Health	82,384
Human services	76,343
Conservation and recreation	15,287
Total Depreciation Expense	<u>\$ 4,076,522</u>

SENECA COUNTY

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

NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type Activities:	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/20</u>
<i>Non-depreciable Capital Assets</i>				
Land and Improvements	\$ 26,243	\$ -	\$ -	\$ 26,243
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	218,465	-	-	218,465
Machinery and Equipment	1,463,605	204,581	-	1,668,186
Infrastructure	6,708,356	-	-	6,708,356
Total Depreciable Capital Assets	<u>8,390,426</u>	<u>204,581</u>	<u>-</u>	<u>8,595,007</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(169,544)	(6,383)	-	(175,927)
Machinery and Equipment	(1,138,615)	(173,889)	-	(1,312,504)
Infrastructure	(1,653,509)	(169,209)	-	(1,822,718)
Total Accumulated Depreciation	<u>(2,961,668)</u>	<u>(349,481)</u>	<u>-</u>	<u>(3,311,149)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>5,428,758</u>	<u>(144,900)</u>	<u>-</u>	<u>5,283,858</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,455,001</u>	<u>\$ (144,900)</u>	<u>\$ -</u>	<u>\$ 5,310,101</u>

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

<u>Business-Type Activities:</u>	
County Sewer District enterprise	\$ 176,847
EMS nonmajor enterprise	172,634
Total Depreciation Expense	<u>\$ 349,481</u>

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

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

Principal and interest payments during 2020 totaled \$2,633 and \$61, respectively, and were paid by the General fund. The County fulfilled its long-term obligation during 2020.

SENECA COUNTY

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

NOTE 11 - LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2020 is as follows:

	Outstanding 12/31/19	Additions	Deductions	Outstanding 12/31/2020	Amount Due Within One Year
<i>Governmental Activities</i>					
Special Obligation Bonds	\$ 8,130,000	\$ -	\$ (270,000)	\$ 7,860,000	\$ 275,000
General Obligation Bonds	525,000	-	(125,000)	400,000	130,000
Joint Justice Center Loan (Direct Borrowing)	450,000	-	(50,000)	400,000	50,000
Compensated Absences	2,109,285	286,503	(45,338)	2,350,450	-
OWDA On-Lot Septic Loan (Direct Borrowing)	18,600	-	(2,657)	15,943	5,314
Net Pension Liability	35,841,858	-	(10,124,914)	25,716,944	-
Net OPEB Liability	16,155,783	719,570	-	16,875,353	-
Capital Lease Payable	2,633	-	(2,633)	-	-
Governmental Activities	<u>\$ 63,233,159</u>	<u>\$ 1,006,073</u>	<u>\$ (10,620,542)</u>	53,618,690	<u>\$ 460,314</u>
			Add: Unamortized Premium on Bond Issue:	397,726	
				<u>\$ 54,016,416</u>	
<i>Business-Type Activities</i>					
Sewer District Improvement Revenue Bonds	\$ 2,817,652	\$ -	\$ (57,000)	\$ 2,760,652	\$ 59,000
Compensated Absences	48,580	-	(7,966)	40,614	-
Net Pension Liability	602,963	-	(319,722)	283,241	-
Net OPEB Liability	280,007	-	(86,423)	193,584	-
OPWC Sewer Project Loan (Direct Borrowing)	3,765	-	(343)	3,422	684
Business-type Activities	<u>\$ 3,752,967</u>	<u>\$ -</u>	<u>\$ (471,454)</u>	<u>\$ 3,281,513</u>	<u>\$ 59,684</u>

Special Obligation Bonds

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

The series 2016 special obligation sales tax supported bonds are comprised of \$7,860,000 in serial bonds outstanding at December 31, 2020. The interest rate on the current interest bonds range from 2% to 4%. The bonds were issued for a twenty-six year period, with a final stated maturity date of December 1, 2041. The bonds will be retired through the County Sales Tax Bond Retirement fund (a nonmajor governmental fund).

General Obligation Bonds

On June 9, 2009, the County issued \$5,285,000 in general obligation refunding bonds to refund other general obligation bonds. General obligation bonds pledge the full faith and credit of the government. The general obligation bonds mature on December 1, 2023, and bear an annual interest rate of 2.00-5.00 percent. At December 31, 2020, the County had \$400,000 in general obligation bonds outstanding. The general obligation refunding bonds are paid from the bond retirement fund (a nonmajor governmental fund) by money received from the leases to the various departments and other offices that also occupy the building and the balance from the General fund.

SENECA COUNTY

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The County issued general obligation refunding bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,070,000 of general obligation bonds. The investments and fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of December 31, 2020, the amount of defeased debt amounted to \$400,000.

Joint Justice Center Loan

On January 26, 2015 the County entered into an interest free loan agreement with North Central Ohio Educational Service Center for up to \$500,000. As of December 31, 2020, County had \$400,000 outstanding. Payments will be paid in quarterly payments of \$12,500, until paid in full, immediately following a 12-month grace period after the date of the final disbursement. The loan will be paid from the General fund.

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

Sewer District Improvement Revenue Bonds

On June 21, 2012, the County authorized the issuance of \$3,212,000 in sewer district improvement revenue bonds at an interest rate of 2.75% for the acquisition and construction of sewer systems throughout the County. This issuance is composed of \$1,712,000 in series 2012A revenue bonds, \$400,000 in series 2012B revenue bonds, and \$1,100,000 in series 2012C revenue bonds. The bonds are liabilities of the County Sewer District enterprise fund, are payable with charges for sewer service, and are backed by the full faith and credit of the County should these revenues be insufficient to satisfy future debt service requirements. Principal and interest payments on the bonds during 2020 required 133.37% of net revenues and 29.96% of total revenues. The total principal and interest remaining to be paid on the bonds is \$4,117,180. Principal and interest paid for the current year was \$134,486, total net revenues were \$100,834 and total revenues were \$448,855.

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

OWDA Loan

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

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

SENECA COUNTY

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

OPWC Loan

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

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

Capital Lease Obligation - Capital lease payments were made from the General fund. See Note 10 for detail on capital lease obligations. The County fulfilled its long-term capital lease obligations during 2020.

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

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

Legal Debt Margin

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

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$34,829,703 at December 31, 2020 and the unvoted legal debt margin was \$14,310,494 at December 31, 2020.

SENECA COUNTY

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	General Obligation Bonds			OWDA On-Lot Septic Loan		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 130,000	\$ 16,600	\$ 146,600	\$ 5,314	\$ -	\$ 5,314
2022	135,000	11,205	146,205	5,315	-	5,315
2023	135,000	5,603	140,603	5,314	-	5,314
Total	<u>\$ 400,000</u>	<u>\$ 33,408</u>	<u>\$ 433,408</u>	<u>\$ 15,943</u>	<u>\$ -</u>	<u>\$ 15,943</u>

Year Ended	Sales Tax Supported Bonds			Joint Justice Center Loan		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 275,000	\$ 257,850	\$ 532,850	\$ 50,000	\$ -	\$ 50,000
2022	280,000	252,350	532,350	50,000	-	50,000
2023	285,000	245,350	530,350	50,000	-	50,000
2024	295,000	238,225	533,225	50,000	-	50,000
2025	300,000	230,850	530,850	50,000	-	50,000
2026 - 2030	1,650,000	1,013,250	2,663,250	150,000	-	150,000
2031 - 2035	1,930,000	725,700	2,655,700	-	-	-
2036 - 2040	2,330,000	319,450	2,649,450	-	-	-
2041	515,000	15,450	530,450	-	-	-
Total	<u>\$ 7,860,000</u>	<u>\$ 3,298,475</u>	<u>\$ 11,158,475</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>

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

Year Ended	OPWC Sewer Project Loan			Sewer District Improvement Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 684	\$ -	\$ 684	\$ 59,000	\$ 75,917	\$ 134,917
2022	685	-	685	62,000	74,295	136,295
2023	684	-	684	62,000	72,591	134,591
2024	685	-	685	64,000	70,884	134,884
2025	684	-	684	65,000	69,126	134,126
2026 - 2030	-	-	-	354,000	317,713	671,713
2031 - 2035	-	-	-	409,000	266,124	675,124
2036 - 2040	-	-	-	466,000	206,807	672,807
2041 - 2045	-	-	-	534,000	139,155	673,155
2046 - 2050	-	-	-	597,652	61,496	659,148
2051	-	-	-	88,000	2,420	90,420
Total	<u>\$ 3,422</u>	<u>\$ -</u>	<u>\$ 3,422</u>	<u>\$ 2,760,652</u>	<u>\$ 1,356,528</u>	<u>\$ 4,117,180</u>

SENECA COUNTY

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

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

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

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

General Liability	\$1,000,000	Foster Parents	\$5,000,000
Crime Coverage.....	\$1,000,000	Valuable Papers.....	\$2,500,000
Errors and Omissions Liability.....	\$1,000,000	Prosecuting Attorney Defense.....	\$25,000
Employee Dishonesty.....	\$1,000,000	Fleet Insurance:	
Law Enforcement Liability	\$1,000,000	Deductible	\$2,500
Equipment Breakdown Coverage.....	\$100,000,000	Liability	\$1,000,000
Stop Gap Liability	\$1,000,000	Uninsured/Underinsured Motorist..	\$250,000
Excess Liability	\$4,000,000	Sewer Lines.....	\$4,731,049
Flood	\$100,000,000	Earthquake.....	\$100,000,000

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

B. Worker's Compensation

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

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

SENECA COUNTY

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

NOTE 12 - RISK MANAGEMENT - (Continued)

C. Natural Gas

The County Commissioners Association of Ohio Service Corporation (CCAOSC) partnered with the Palmer Energy Company to help manage a natural gas program for member counties. The program was designed specifically to help counties save money on their natural gas bill by utilizing the strength of group buying. By grouping together, counties leverage their buying power when shopping the market, thus securing the best price possible. The independent energy professionals of the Palmer Energy Company, on behalf of the CCAOSC, obtain the best price for natural gas from various reputable suppliers through the RFP process. Advisory committee meetings are held for oversight purposes regarding the natural gas program. Presently there are over 54 counties participating. Those counties are collectively saving millions of dollars in the program.

NOTE 13 - EMPLOYEE BENEFITS

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS

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.

SENECA COUNTY

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

NOTE 14 - 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 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 15 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.

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):

SENECA COUNTY

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

SENECA COUNTY

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

NOTE 14 - 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:

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

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

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

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

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

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 \$2,603,039 for 2020. Of this amount, \$113,332 is reported as due to other governments.

SENECA COUNTY

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

NOTE 14 - 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. 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.

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.

SENECA COUNTY

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 \$70,652 for 2020.

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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.135176%	0.100040%	0.078083%	0.004758%	
Proportion of the net pension liability/asset current measurement date	<u>0.133861%</u>	<u>0.104624%</u>	<u>0.081481%</u>	<u>0.004240%</u>	
Change in proportionate share	<u>-0.001315%</u>	<u>0.004584%</u>	<u>0.003398%</u>	<u>-0.000518%</u>	
Proportionate share of the net pension liability	\$ 24,974,350	\$ -	\$ -	\$ 1,025,835	\$ 26,000,185
Proportionate share of the net pension asset	-	(205,929)	(2,907)	-	(208,836)
Pension expense	4,265,925	23,593	(1,713)	62,981	4,350,786

SENECA COUNTY

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

NOTE 14 - 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
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 9,715	\$ 2,302	\$ 12,017
Net difference between projected and actual earnings on pension plan investments	-	-	-	49,888	49,888
Changes of assumptions	1,333,922	21,231	470	55,066	1,410,689
Changes in employer's proportionate percentage/difference between employer contributions	162,315	-	-	32,307	194,622
Contributions subsequent to the measurement date	2,498,999	53,636	50,404	35,330	2,638,369
Total deferred outflows of resources	<u>\$ 3,995,236</u>	<u>\$ 74,867</u>	<u>\$ 60,589</u>	<u>\$ 174,893</u>	<u>\$ 4,305,585</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 315,766	\$ 48,346	\$ -	\$ 6,560	\$ 370,672
Net difference between projected and actual earnings on pension plan investments	4,981,822	26,709	914	-	5,009,445
Changes in employer's proportionate percentage/difference between employer contributions	377,905	-	-	94,179	472,084
Total deferred inflows of resources	<u>\$ 5,675,493</u>	<u>\$ 75,055</u>	<u>\$ 914</u>	<u>\$ 100,739</u>	<u>\$ 5,852,201</u>

\$2,638,369 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2021.

SENECA COUNTY

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

NOTE 14 - 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	\$ (664,015)	\$ (13,120)	\$ 1,143	\$ 31,686	\$ (644,306)
2022	(1,743,422)	(12,623)	1,161	(10,672)	(1,765,556)
2023	206,292	(5,174)	1,393	12,938	215,449
2024	(1,978,111)	(14,950)	1,036	4,872	(1,987,153)
2025	-	(2,791)	1,245	-	(1,546)
Thereafter	-	(5,166)	3,293	-	(1,873)
Total	\$ (4,179,256)	\$ (53,824)	\$ 9,271	\$ 38,824	\$ (4,184,985)

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.

SENECA COUNTY

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

NOTE 14 - 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:

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

SENECA COUNTY

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

NOTE 14 - 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	\$ 41,190,786	\$ 24,974,350	\$ 10,396,251
Combined Plan	(124,431)	(205,929)	(264,664)
Member-Directed Plan	(1,538)	(2,907)	(3,846)

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.

SENECA COUNTY

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

NOTE 14 - 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:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquid 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 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, 2019. 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, 2019.

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability:	\$ 1,460,610	\$ 1,025,835	\$ 657,399

SENECA COUNTY

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 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' Comprehensive Annual Financial Report 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%.

SENECA COUNTY

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

NOTE 15 - 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 \$20,161 for 2020. Of this amount, \$878 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 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 or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.131868%	0.004758%	
Proportion of the net OPEB liability current measurement date	<u>0.130919%</u>	<u>0.004240%</u>	
Change in proportionate share	<u>-0.000949%</u>	<u>-0.000518%</u>	
Proportionate share of the net OPEB liability	\$ 17,068,937	\$ -	\$ 17,068,937
Proportionate share of the net OPEB asset	\$ -	\$ (74,511)	\$ (74,511)
OPEB expense	\$ 2,030,933	\$ (4,075)	\$ 2,026,858

SENECA COUNTY

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

NOTE 15 - 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>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 458	\$ 4,776	\$ 5,234
Net difference between projected and actual earnings on OPEB plan investments	-	2,614	2,614
Changes of assumptions	2,701,830	1,230	2,703,060
Changes in employer's proportionate percentage/ difference between employer contributions	98,988	342	99,330
Contributions subsequent to the measurement date	20,161	-	20,161
Total deferred outflows of resources	<u>\$ 2,821,437</u>	<u>\$ 8,962</u>	<u>\$ 2,830,399</u>
	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,561,033	\$ 14,841	\$ 1,575,874
Net difference between projected and actual earnings on OPEB plan investments	869,146	-	869,146
Changes of assumptions	-	70,770	70,770
Changes in employer's proportionate percentage/ difference between employer contributions	196,745	10,430	207,175
Total deferred inflows of resources	<u>\$ 2,626,924</u>	<u>\$ 96,041</u>	<u>\$ 2,722,965</u>

\$20,161 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.

SENECA COUNTY

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

NOTE 15 - 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	\$ 417,316	\$ (21,522)	\$ 395,794
2022	127,741	(19,756)	107,985
2023	692	(19,134)	(18,442)
2024	(371,397)	(18,738)	(390,135)
2025	-	(3,831)	(3,831)
Thereafter	-	(4,098)	(4,098)
Total	\$ 174,352	\$ (87,079)	\$ 87,273

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

SENECA COUNTY

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

NOTE 15 - 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.

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

During 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 contribution 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.

SENECA COUNTY

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

NOTE 15 - 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:

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

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 22,337,441	\$ 17,068,937	\$ 12,850,578

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.

SENECA COUNTY

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

NOTE 15 - 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.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$ 16,565,246	\$ 17,068,937	\$ 17,566,205

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:

	July 1, 2020		July 1, 2019	
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%

SENECA COUNTY

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% 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 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% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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	100.00 %	

* 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, 2019.

SENECA COUNTY

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

NOTE 15 - 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.

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 64,829	\$ 74,511	\$ 82,726

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 82,216	\$ 74,511	\$ 65,126

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, maintenance and repair fund, and Seneca County Opportunity Center fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

SENECA COUNTY

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General Fund</u>	<u>Maintenance and Repair Fund</u>	<u>Seneca County Opportunity Center</u>
Budget basis	\$ 1,805,651	\$ (312,526)	\$ 2,204,811
Net adjustment for revenue accruals	675,278	(20,718)	(211,084)
Net adjustment for expenditure accruals	(503,654)	129,094	(249,908)
Net adjustment for other sources/uses	96,328	-	-
Funds budgeted elsewhere	(771,375)	-	-
Adjustment for encumbrances	<u>1,204,014</u>	<u>362,451</u>	<u>1,423,582</u>
GAAP basis	<u>\$ 2,506,242</u>	<u>\$ 158,301</u>	<u>\$ 3,167,401</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the mental expense rotary fund, sheriff rotary fund, unclaimed monies fund, hazardous materials fund, clerk of courts title administration fund, public safety rental fund, recorder equipment fund, employee benefits fund, underground storage tank fund, Medicaid transitional replacement fund, budget stabilization fund and the payroll withholding funds.

NOTE 17 - CONTINGENT LIABILITIES

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies on their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be not be material.

The County is named among defendants in pending litigation. Plaintiffs are seeking damages in excess of one million dollars from all defendants; however, as of December 31, 2020, the likelihood of a successful claim against the County is not known.

NOTE 18 - CONDUIT DEBT OBLIGATIONS

The County has previously issued Hospital and Healthcare Facilities Revenue Refunding Bonds to provide financial assistance to the Flat Rock Homes, Good Shepherd Home, St. Francis Home, Inc., Project and Catholic Healthcare Partners. During 2013 the County issued Health Care Facilities Revenue Bonds to provide assistance to Volunteers of America Rehabilitation Centers, Inc. and Economic Development and Lease Revenue Bonds to provide assistance to Heidelberg University. On June 18, 2019, The County issued \$36,500,000 in Economic Development Revenue Bonds, Series 2019 to provide assistance to Heidelberg University, which refunded the outstanding principal of the Series 2013 Lease Revenue Bonds. The bonds are secured by the properties financed and are payable solely from the payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entities served by the issuances. Neither Seneca County, the State of Ohio, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds or lease; therefore, these obligations are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, an estimated \$512,340,000 in revenue bond obligations were outstanding.

SENECA COUNTY

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

NOTE 19 - PUBLIC ENTITY RISK POOLS

A. County Risk Sharing Authority (CORSA)

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

B. County Employee Benefits Consortium of Ohio (CEBCO)

The County is a member of CEBCO, which is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage to thirty-six counties in Ohio. CEBCO is a nonprofit organization formed by the County Commissioners Association of Ohio (CCAO) to provide cost-effective employee benefit programs for Ohio county governments. Various plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit copays, and out-of-pocket maximums. CEBCO is governed by a board of directors composed mainly of representatives of counties that participate in the program. Members sign a three-year commitment to CEBCO. Premiums are paid on a monthly basis. Pursuant to participation agreements with CEBCO, each member agrees to pay all funding rates associated with the coverage it elects; as such, funding rates are set and billed to the members by CEBCO. The assigned funding rates consist of the following components: administrative fees, stop-loss fees, expected claim costs, and reserves. Reserves are actuarially determined and allocated based on expected claim activity. Rates are calculated to cover the administrative expenses and expected claims costs of the program. Financial statements may be obtained by contacting the Managing Director of Health and Wellness, 209 East State Street, Columbus, Ohio 43215.

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

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

SENECA COUNTY

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

NOTE 19 - PUBLIC ENTITY RISK POOLS - (Continued)

CCAOSC retains the services of a third party administrator (TPA) in the administration of workers' compensation claims. A Group Executive Committee consists of seven members. Two of the members are president and treasurer, the remaining five members, who must be county commissioners, are elected by the participants. The Group Executive Committee calculates annual rate contributions and rebates, approves the selection of a TPA, approves proposed TPA fees and determines eligibility of participants. The County may withdraw from the group with sixty days written notice and is responsible for payment of its workers' compensation with no further responsibilities or equity. Further financial information for the County Commissioner Association of Ohio Service Corporation can be seen in the CCAO Treasurer's Report as of December 31, 2020.

NOTE 20 - JOINT VENTURES

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

Seneca County joined Sandusky County and the City of Tiffin in a joint venture, as described in Note 1, to purchase a railroad line from Tiffin to Woodville. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City and resolutions by the Counties. Any real or personal property will be returned to the subdivision from which it was received. Upon dissolution of the Port Authority, any personal property belonging to the Port Authority will be distributed equally to the City and the Counties after paying all expenses and debts. Non-interest revenue bonds were issued by the Port Authority during 1989 to purchase 25.1 miles of railroad in May 1990. Debt service requirements are secured by future revenue from shippers who will utilize the railroad. Principal is payable on the bonds through 2028. Summary financial information for the Port Authority for the year ended December 31, 2020 is presented below. Further financial information is in the Sandusky County-Seneca County-City of Tiffin Port Authority financial report for the year ending December 31, 2020.

	Joint Venture	County Share
Total Assets	\$ 4,920,881	\$ 1,640,293
Total Liabilities	(440,359)	(146,786)
Net Position	\$ 4,480,522	\$ 1,493,507
Revenues	\$ 262,825	\$ 87,608
Expenses	(243,732)	(81,244)
Increase in Net Position	\$ 19,093	\$ 6,364

B. Ottawa, Sandusky, Seneca Solid Waste District

Seneca County has also entered into a joint venture with Ottawa and Sandusky Counties to form the Ottawa, Sandusky, Seneca County Solid Waste District. The Counties contributed no initial funding and the District is funded entirely by fees. In the event that fees are not sufficient for the operations, the counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective counties bears to the total population of all counties. Seneca County's share of the total is approximately 35.78 percent. Summary financial information as of, and for the fiscal year ended December 31, 2020 is presented below:

SENECA COUNTY

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

NOTE 20 - JOINT VENTURES - (Continued)

	<u>Joint Venture</u>	<u>County Share</u>		<u>Population</u>	<u>Equity Percent</u>
Beginning Net Position	\$ 3,051,746	\$ 1,091,870	Ottawa	40,525	26.28%
Revenues	1,649,403	590,132	Sandusky	58,518	37.94%
Expenses	<u>(1,557,595)</u>	<u>(557,285)</u>	Seneca	<u>55,178</u>	<u>35.78%</u>
Ending Net Position	<u>\$ 3,143,554</u>	<u>\$ 1,124,717</u>	Total	<u>154,221</u>	<u>100.00%</u>

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

C. Mental Health and Recovery Services Board (MHRS)

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

Summary financial information as of, and for the year ended December 31, 2020 is presented below. Further financial information can be found in the Annual Financial Report of the Mental Health and Recovery Services Board of Seneca, Sandusky and Wyandot Counties as of December 31, 2020.

	<u>Joint Venture</u>	<u>County Share</u>		<u>Population</u>	<u>Equity Percent</u>
Beginning Net Position	\$ 5,829,696	\$ 2,374,516	Sandusky	58,518	43.20%
Revenues	6,488,043	2,642,670	Seneca	55,178	40.73%
Expenses	<u>(6,034,987)</u>	<u>(2,458,134)</u>	Wyandot	<u>21,772</u>	<u>16.07%</u>
Ending Net Position	<u>\$ 6,282,752</u>	<u>\$ 2,559,052</u>	Total	<u>135,468</u>	<u>100.00%</u>

D. Northland Homes and Properties, Inc.

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

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

Summary financial information as of, and for the fiscal year ended December 31, 2020 is presented below. Further financial information can be found in the Northland Homes and Properties, Inc. financial report as of December 31, 2020.

SENECA COUNTY

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

NOTE 20 - JOINT VENTURES - (Continued)

	Joint Venture	County Share
Total Assets	\$ 2,464,449	\$ 821,483
Total Liabilities	(582,719)	(194,240)
Net Position	\$ 1,881,730	\$ 627,243
Revenues	\$ 486,905	\$ 162,302
Expenses	(479,950)	(159,984)
Increase in Net Position	\$ 6,955	\$ 2,318

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

A. Description of the Entity

Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the County). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of officer of each appointed director is two years.

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

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

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

The Corporation's significant accounting policies are described below.

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

C. Fund Accounting

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

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

Governmental Funds

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

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

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

The General fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General fund. For 2020, there were no differences between the government-wide statements and the governmental fund statements.

E. Basis of Accounting

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

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

Revenues - Exchange and Nonexchange Transactions

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

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

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

Expenses/Expenditures

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

F. Budgetary Process

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

G. Federal Income Tax

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

H. Cash and Investments

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

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

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

I. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements. The Corporation had no prepayments outstanding at December 31, 2020.

J. Assets Held for Resale

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Net Position

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

M. Intergovernmental Revenue

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

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

N. Fund Balance

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

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

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

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

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

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

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

O. Estimates

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2020.

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

Q. Change in Accounting Principles

For 2020, the Corporation 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 Corporation 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 Corporation has elected delaying implementation until the fiscal year ended December 31, 2022:

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

R. Deposits and Investments

At December 31, 2020, the carrying amount of all Corporation deposits was \$131,876. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, the entire amount of the Corporation's bank balance of \$131,876 was covered by the Federal Deposit Insurance Corporation (FDIC).

S. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For 2020, the Corporation was covered under Seneca County's policy with the County Risk Sharing Authority (CORSA) for liability insurance.

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

T. Transactions with Seneca County

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

At December 31, 2020, the Corporation recognized revenues of \$99,596 for these fees that were collected by Seneca County in 2020.

SENECA COUNTY

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

NOTE 21 - SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT - (Continued)

U. Contingencies

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

V. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT

A. Description of the Entity

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

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

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

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

SENECA COUNTY

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

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT - (Continued)

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

B. Basis of Presentation

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

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

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

Fund Financial Statements During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column.

C. Fund Accounting

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

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

SENECA COUNTY

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

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT - (Continued)

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

County Road 592 Project - The County Road 592 Project fund is used to account for grant monies from the Ohio Department of Transportation (ODOT) for the design, upgrade, and/or construction of County Road 592.

D. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows, current liabilities and deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. At December 31, 2020, there were no differences between the government-wide statements and the statements for governmental funds.

E. Basis of Accounting

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

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

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

SENECA COUNTY

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

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT - (Continued)

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

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. At December 31, 2020 the District did not have deferred outflows/inflows of resources.

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

F. Budgetary Process

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

G. Cash and Cash Equivalents

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

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

H. Capital Assets

The District reports no capital assets.

SENECA COUNTY

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

NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT - (Continued)

I. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. At December 31, 2020, payables consisted of \$1 in accounts payable and \$80,839 due to the primary government for reimbursement of expenditures related to the County Road 592 project.

J. Receivables

At December 31, 2020, the District had a receivable in the amount of \$80,839 due from ODOT.

K. Fund Balance

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

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

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

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

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

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

SENECA COUNTY

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

**NOTE 22 - SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT
- (Continued)**

L. Net Position

The District applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The District had no restricted net position at December 31, 2020.

M. Estimates

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

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District Administration and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during 2020.

O. Risk Management

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

P. Contingencies

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

Q. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 23 - RELATED PARTY TRANSACTIONS

For the year ended December 31, 2020 the County participated in the following related party transactions:

<u>Related Party</u>	<u>Purpose</u>	<u>Amount</u>
Soil and Water Conservation District	Flood Plain Administration	\$ 10,000
Seneca County Regional Planning Commission	Assessment	76,010
Total		<u>\$ 86,010</u>

SENECA COUNTY

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

NOTE 24 - JOINT USE, MANAGEMENT AND LEASE AGREEMENT

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

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

NOTE 25 - OPERATING LEASE

On March 1, 2020, the County (the Lessor) entered into an agreement to lease the County Home farm and main barn, consisting of approximately 147.1 acres, to Wise Farms (the Lessee) at a cash rent of \$288.50 per acre. The term of the lease is for one year, ending April 30, 2021. Rent per year is to be paid by the lessor on or before December 1 of each year of the lease. The land is to be occupied and used for ariculatural purposes related to planting, growing and harvesting of crops. Violation of any part of the lease by either party is cause for the other party to terminate the lease by giving 60 days written notice.

SENECA COUNTY

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

NOTE 26 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of resources in the governmental funds.

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

Fund balance	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 94,324	\$ 428,028	\$ 23,984	\$ 3,692	\$ 550,028
Prepayments	182,519	9,280	60,936	43,372	296,107
Unclaimed monies	171,658	-	-	-	171,658
Long-term loans	<u>158,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,022</u>
Total nonspendable	<u>606,523</u>	<u>437,308</u>	<u>84,920</u>	<u>47,064</u>	<u>1,175,815</u>
Restricted:					
Capital projects	-	-	-	17,288	17,288
Grants and specific programs	-	-	-	5,438,798	5,438,798
SCOC programs	-	-	16,013,474	-	16,013,474
Human services programs	-	-	-	1,656,239	1,656,239
Roads and bridges	-	17,057,057	-	-	17,057,057
Community and economic development	-	-	-	296,242	296,242
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,533</u>	<u>173,533</u>
Total restricted	<u>-</u>	<u>17,057,057</u>	<u>16,013,474</u>	<u>7,582,100</u>	<u>40,652,631</u>
Committed:					
Underground storage tank	<u>11,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,855</u>
Assigned:					
Debt service	-	-	-	82,942	82,942
Capital projects	-	-	-	982,714	982,714
Grants and specific programs	12,039	-	-	-	12,039
General government	2,124,770	-	-	-	2,124,770
Public safety	97,250	-	-	-	97,250
Health	172	-	-	-	172
Human services	131,304	-	-	-	131,304
Employee benefits	183,932	-	-	-	183,932
Public works	35	-	-	-	35
Subsequent year appropriations	<u>1,009,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,009,089</u>
Total assigned	<u>3,558,591</u>	<u>-</u>	<u>-</u>	<u>1,065,656</u>	<u>4,624,247</u>
Unassigned (deficit)	<u>5,923,393</u>	<u>-</u>	<u>-</u>	<u>(111,300)</u>	<u>5,812,093</u>
Total fund balances	<u>\$ 10,100,362</u>	<u>\$ 17,494,365</u>	<u>\$ 16,098,394</u>	<u>\$ 8,583,520</u>	<u>\$ 52,276,641</u>

SENECA COUNTY

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

NOTE 27 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 936,818
Maintenance and Repair fund	334,133
Seneca County Opportunity Center	1,116,365
Nonmajor governmental funds	<u>2,408,774</u>
Total	<u>\$ 4,796,090</u>

NOTE 28 - TAX ABATEMENTS

As of December 31, 2020, the County provides tax abatements through two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

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

The County has entered into Economic Zone (EZ) tax abatement agreements for the abatement of real property taxes with the City of Tiffin and the City of Fostoria. The total value of the County's share of taxes abated from EZ and CRA programs in 2020 was \$189 and \$14,209, respectively.

SENECA COUNTY

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

NOTE 29 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. 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.

During 2020, the County received CARES Act funding. Of the amounts received, \$1,871,146 was sub-granted to other governments, organizations or individuals. In addition, during 2020, the County received \$458,400 as an on-behalf of grant from other governments, and \$165,140 in donated personal protective equipment. The amounts are reflected as public safety and health expenditures in the Coronavirus Relief Special Revenue fund which is included in the Nonmajor Governmental funds on the accompanying financial statements.

This page intentionally left blank.

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST 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	0.133861%	0.135176%	0.131682%	0.129274%
County's proportionate share of the net pension liability	\$ 24,974,350	\$ 35,392,536	\$ 19,773,939	\$ 27,927,276
County's covered payroll	\$ 18,113,629	\$ 17,503,793	\$ 16,818,677	\$ 16,321,667
County's proportionate share of the net pension liability as a percentage of its covered payroll	137.88%	202.20%	117.57%	171.11%
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	0.104624%	0.100040%	0.117856%	0.111159%
County's proportionate share of the net pension asset	\$ 205,929	\$ 106,943	\$ 153,572	\$ 58,857
County's covered payroll	\$ 445,243	\$ 409,550	\$ 459,185	\$ 432,683
County's proportionate share of the net pension asset as a percentage of its covered payroll	46.25%	26.11%	33.44%	13.60%
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	0.081481%	0.078083%	0.078923%	0.065284%
County's proportionate share of the net pension asset	\$ 2,907	\$ 1,701	\$ 2,637	\$ 259
County's covered payroll	\$ 463,020	\$ 427,240	\$ 411,510	\$ 268,300
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.63%	0.40%	0.64%	0.10%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	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

2016	2015	2014
0.129323%	0.127219%	0.127219%
\$ 21,469,046	\$ 14,684,663	\$ 14,352,986
\$ 14,434,208	\$ 15,229,083	\$ 16,090,392
148.74%	96.43%	89.20%
81.08%	86.45%	86.36%
0.110370%	0.116450%	0.110645%
\$ 51,463	\$ 40,770	\$ 11,111
\$ 389,575	\$ 404,450	\$ 346,754
13.21%	10.08%	3.20%
116.90%	114.83%	104.56%
0.071569%	n/a	n/a
\$ 274	n/a	n/a
\$ 394,092	n/a	n/a
0.07%	n/a	n/a
103.91%	n/a	n/a

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.004240%	0.004758%	0.004687%	0.005000%
County's proportionate share of the net pension liability	\$ 1,025,835	\$ 1,052,285	\$ 1,030,584	\$ 1,187,841
County's covered-employee payroll	\$ 599,950	\$ 573,536	\$ 561,850	\$ 564,600
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	170.99%	183.47%	183.43%	210.39%
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>
0.004600%	0.004888%	0.004711%
\$ 1,539,826	\$ 1,351,019	\$ 1,145,990
\$ 553,757	\$ 555,685	\$ 518,723
278.07%	243.13%	220.93%
66.80%	72.10%	74.70%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,498,999	\$ 2,535,908	\$ 2,450,531	\$ 2,186,428
Contributions in relation to the contractually required contribution	<u>(2,498,999)</u>	<u>(2,535,908)</u>	<u>(2,450,531)</u>	<u>(2,186,428)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,849,993	\$ 18,113,629	\$ 17,503,793	\$ 16,818,677
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 53,636	\$ 62,334	\$ 57,337	\$ 59,694
Contributions in relation to the contractually required contribution	<u>(53,636)</u>	<u>(62,334)</u>	<u>(57,337)</u>	<u>(59,694)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 383,114	\$ 445,243	\$ 409,550	\$ 459,185
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 50,404	\$ 46,302	\$ 42,724	\$ 41,151
Contributions in relation to the contractually required contribution	<u>(50,404)</u>	<u>(46,302)</u>	<u>(42,724)</u>	<u>(41,151)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 504,040	\$ 463,020	\$ 427,240	\$ 411,510
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>
\$ 1,958,600	\$ 1,732,105	\$ 1,827,490	\$ 2,091,751	\$ 1,624,062	\$ 1,683,932
<u>(1,958,600)</u>	<u>(1,732,105)</u>	<u>(1,827,490)</u>	<u>(2,091,751)</u>	<u>(1,624,062)</u>	<u>(1,683,932)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,321,667	\$ 14,434,208	\$ 15,229,083	\$ 16,090,392	\$ 16,240,620	\$ 16,839,320
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 51,922	\$ 46,749	\$ 48,534	\$ 45,078	\$ 22,098	\$ 20,450
<u>(51,922)</u>	<u>(46,749)</u>	<u>(48,534)</u>	<u>(45,078)</u>	<u>(22,098)</u>	<u>(20,450)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 432,683	\$ 389,575	\$ 404,450	\$ 346,754	\$ 277,962	\$ 257,233
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 32,196	\$ 47,291				
<u>(32,196)</u>	<u>(47,291)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 268,300	\$ 394,092				
12.00%	12.00%				

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2020	2019	2018	2017
Contractually required contribution	\$ 70,652	\$ 83,993	\$ 80,295	\$ 78,659
Contributions in relation to the contractually required contribution	(70,652)	(83,993)	(80,295)	(78,659)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 504,657	\$ 599,950	\$ 573,536	\$ 561,850
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>
\$ 79,044	\$ 77,526	\$ 72,239	\$ 67,434	\$ 66,845	\$ 74,025
<u>(79,044)</u>	<u>(77,526)</u>	<u>(72,239)</u>	<u>(67,434)</u>	<u>(66,845)</u>	<u>(74,025)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 564,600	\$ 553,757	\$ 555,685	\$ 518,723	\$ 514,192	\$ 569,423
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	2020	2019	2018	2017
County's proportion of the net OPEB liability	0.130919%	0.131868%	0.129140%	0.125744%
County's proportionate share of the net OPEB liability	\$ 17,068,937	\$ 16,435,790	\$ 13,423,280	\$ 12,700,586
County's covered payroll	\$ 19,021,892	\$ 18,340,583	\$ 17,689,372	\$ 17,022,650
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.73%	89.61%	75.88%	74.61%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.15%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.004240%	0.004758%	0.004687%	0.005000%
County's proportionate share of the net OPEB liability (asset)	\$ (74,511)	\$ (78,810)	\$ (75,000)	\$ 195,095
County's covered-employee payroll	\$ 599,950	\$ 573,536	\$ 561,850	\$ 564,600
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	12.42%	13.74%	13.35%	34.55%
Plan fiduciary net position as a percentage of the total OPEB liability	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

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2020	2019	2018	2017
Contractually required contribution	\$ 20,161	\$ 18,521	\$ 17,090	\$ 193,853
Contributions in relation to the contractually required contribution	(20,161)	(18,521)	(17,090)	(193,853)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 18,737,147	\$ 19,021,892	\$ 18,340,583	\$ 17,689,372
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	1.10%

Note: Information prior to 2010 not available.

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>
\$ 336,197	\$ 296,476	\$ 333,730	\$ 160,446	\$ 644,704	\$ 665,686
<u>(336,197)</u>	<u>(296,476)</u>	<u>(333,730)</u>	<u>(160,446)</u>	<u>(644,704)</u>	<u>(665,686)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,022,650	\$ 15,217,875	\$ 15,633,533	\$ 16,437,146	\$ 16,518,582	\$ 17,096,553
1.97%	1.95%	2.13%	0.98%	3.90%	3.89%

SENECA COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>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	\$ 504,657	\$ 599,950	\$ 573,536	\$ 561,850
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>
\$ -	\$ -	\$ 4,965	\$ 5,187	\$ 5,141	\$ 5,694
-	-	(4,965)	(5,187)	(5,141)	(5,694)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 564,600	\$ 553,757	\$ 555,685	\$ 518,723	\$ 514,192	\$ 569,423
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

SENECA COUNTY

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

PENSION

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)

SENECA COUNTY

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

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 : 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) 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. For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) decrease in medical trend rates from 4.93%-5.87% to -6.69%-5.00% and (b) an increase in prescription drug trend rates from 7.73%-9.62% to 6.50%-11.87%.

SENECA COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job and Family Services</i>				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5991		\$ 344,557
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster				
National School Lunch Program				
Cash Assistance	10.555	IRN066241		3,561
COVID-19 - Cash Assistance	10.555	IRN066241		1,117
NonCash Assistance (Food Distribution)	10.555	IRN066241		1,813
Cash Assistance	10.555	IRN093286		6,485
COVID-19 - Cash Assistance	10.555	IRN093286		4,100
NonCash Assistance (Food Distribution)	10.555	IRN093286		777
Total CFDA #10.555				17,853
School Breakfast Program	10.553	IRN093286		2,954
COVID-19 - School Breakfast Program	10.553	IRN093286		2,449
Total CFDA #10.553				5,403
Total Child Nutrition Cluster				23,256
Total U.S. Department of Agriculture				367,813
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Department of Development</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-19-1CQ-1		95,515
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through the Ohio Attorney General</i>				
Crime Victim Assistance	16.575	2020-VOCA-132924346		109,053
Crime Victim Assistance	16.575	2020-SVAA-132924349		6,227
Crime Victim Assistance	16.575	2021-VOCA-133899028		27,988
Crime Victim Assistance	16.575	2021-SVAA-133899031		1,210
Total CFDA #16.575				144,478
Drug Court Discretionary Grant Program	16.585	2018-DC-BX-0135		125,000
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2018-MO-BX-0049		118,502
Total U.S. Department of Justice				387,980
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Montgomery County Workforce Investment Act (WIOA) Area 7</i>				
WIOA Cluster				
WIOA Adult Program	17.258	2020-7174-1		123,349
WIOA Youth Activities	17.259	2020-7174-1		270,810
WIOA Dislocated Worker Formula Grants	17.278	2020-7174-1		111,251
Total WIOA Cluster				505,410
Employment Services Cluster				
Employment Service/Wagner-Peyser Funded Activities	17.207	2020-7174-1		2,500
Trade Adjustment Assistance	17.245	2020-7174-1		453
Total U.S. Department of Labor				508,363
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct</i>				
Airport Improvement Program	20.106	3-39-0076-013-2019		311,346
Airport Improvement Program	20.106	3-39-0076-014-2020		532,201
Total CFDA # 20.106				843,547
<i>Passed Through Ohio Department of Public Safety</i>				
Highway Safety Cluster				
State and Community Highway Safety	20.600	STEP-2020-0-00059		2,151
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	IDEP-2020-0-00059		3,235
Total U.S. Department of Transportation				848,933
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 - Coronavirus Relief Fund	21.019	HB481-CRF-Local		2,947,427
<i>Passed Through Ohio Supreme Court</i>				
COVID-19 - Coronavirus Relief Fund	21.019	20-RTG-0100		19,013
<i>Passed Through City of Tiffin</i>				
COVID-19 - Coronavirus Relief Fund	21.019	N/A		241,651

(Continued)

SENECA COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Passed Through Village of Bettsville COVID-19 - Coronavirus Relief Fund	21.019	N/A		15,000
Passed Through Village of Green Springs COVID-19 - Coronavirus Relief Fund	21.019	N/A		15,000
Passed Through Bloom Township COVID-19 - Coronavirus Relief Fund	21.019	N/A		18,000
Passed Through Clinton Township COVID-19 - Coronavirus Relief Fund	21.019	N/A		80,000
Passed Through Eden Township COVID-19 - Coronavirus Relief Fund	21.019	N/A		20,000
Passed Through Hopewell Township COVID-19 - Coronavirus Relief Fund	21.019	N/A		20,000
Passed Through Pleasant Township COVID-19 - Coronavirus Relief Fund	21.019	N/A		48,749
Total CFDA # 21.019				<u>3,424,840</u>
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State 2018 HAVA Election Security Grants	90.404	N/A		41,245
COVID-19 - 2018 HAVA Election Security Grants	90.404	N/A		43,361
Total CFDA # 90.404				<u>84,606</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79T1081926-01		400,000
Passed Through Health Resources and Services Administration COVID-19 - Provider Relief Fund	93.498	N/A		9,532
Passed Through Ohio Department of Job and Family Services Promoting Safe and Stable Families	93.556	G-2021-11-5991		28,927
Temporary Assistance for Needy Families	93.558	G-2021-11-5991		1,018,798
Child Support Enforcement	93.563	G-2021-11-5991		695,273
CCDF Cluster Child Care and Development Block Grant	93.575	G-2021-11-5991		25,770
Grants to States for Access and Visitation Programs	93.597	G-2021-11-5991	\$ 144,500	144,500
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5991		84,889
Foster Care Title IV-E	93.658	G-2021-11-5991		507,756
Adoption Assistance	93.659	G-2021-11-5991		156,140
Passed Through Ohio Department of Job and Family Services Social Services Block Grant	93.667	G-2021-11-5991		503,221
Passed Through Ohio Department of Developmental Disabilities Social Services Block Grant	93.667	2001OHSOSR		22,317
Total CFDA # 93.667				<u>525,538</u>
Passed Through Ohio Department of Job and Family Services Medicaid Cluster Medical Assistance Program	93.778	G-2021-11-5991		373,634
Passed Through Ohio Department of Developmental Disabilities Medical Assistance Program	93.778	20050H5ADM		220,066
Medical Assistance Program	93.778	21050H5ADM		74,454
Total Medicaid Cluster				<u>668,154</u>
Total U.S. Department of Health and Human Services			144,500	<u>4,265,277</u>

(Continued)

SENECA COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency</i>				
Hazard Mitigation Grant	97.039	HMGP-DR-4360-OH		9,450
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005		14,067
Emergency Management Performance Grants	97.042	EMC-2020-EP-00005		4,338
Total Emergency Management Performance Grants				18,405
Total U.S. Department of Homeland Security				27,855
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Special Education Cluster (IDEA)				
Special Education_Grants to States	84.027	FY2020		13,276
Special Education_Grants to States	84.027	FY2021		12,553
Total Special Education Cluster (IDEA)				25,829
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 144,500	\$ 10,037,011

The accompanying notes are an integral part of this schedule

SENECA 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 Seneca County, Ohio (the County) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

The County passes certain federal awards received from 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.

NOTE E – CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

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

The current cash balance on the County's CDBG local program income account as of December 31, 2020 is \$75,224.

The current cash balance on the County's HOME local program income account as of December 31, 2020 is \$93,821.

SENECA COUNTY

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

NOTE H – 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 I – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2020, the County made allowable transfers of \$234,834 from the Temporary Assistance for Needy Families (TANF) (CFDA #93.558) program to the Social Services Block Grant (SSBG) (CFDA #93.667) program. The Schedule shows the County spent approximately \$1,018,798 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.

Temporary Assistance for Needy Families	\$ 1,253,632
Transfer to Social Services Block Grant	<u>(234,834)</u>
Total Temporary Assistance for Needy Families	<u>\$ 1,018,798</u>

NOTE J – PRIOR FEDERAL EXPENDITURES

The County signed a grant agreement with the U.S. Department of Transportation Federal Aviation Administration (FFA) (CFDA #20.106) on August 22, 2019 for the design and construction of taxiway pavement rehabilitation at the Seneca County Airport. The FFA approved expenditures from 2019, before the grant was in place of \$3,885. Therefore, the amounts on the 2020 Federal Schedule are the amounts reimbursed in 2020 of \$311,346.

The County signed a grant agreement with the U.S. Department of Transportation Federal Aviation Administration (FFA) (CFDA #20.106) on August 20, 2020 for land acquisition at the Seneca County Airport. The FFA approved expenditures from before the grant was in place, including \$2,448 from 2017, \$939 from 2018, and \$5,563 from 2019. Therefore, the amounts on the 2020 Federal Schedule are the amounts reimbursed in 2020 of \$532,201.

OHIO AUDITOR OF STATE KEITH FABER



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

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

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

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Seneca County, Ohio (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 21, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2021

OHIO AUDITOR OF STATE KEITH FABER



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

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

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

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Seneca County, Ohio's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Seneca County's major federal programs for the year ended December 31, 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 each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Seneca County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2021

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

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Airport Improvement Program – CFDA #20.106 Coronavirus Relief Fund – CFDA #21.019
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



SENECA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/5/2021

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