

FAYETTE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021



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OHIO AUDITOR OF STATE
KEITH FABER



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Board of County Commissioners
Fayette County
133 South Main Street, Suite 303
Washington Court House, Ohio 43160

We have reviewed the *Independent Auditor's Report* of Fayette County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Fayette County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 13, 2022

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Fayette County
Table of Contents
For the Year Ended December 31, 2021

<u>Title</u>	<u>Page</u>
Independent Auditor's Report.....	1
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position – Cash Basis.....	4
Statement of Activities – Cash Basis.....	5
Fund Financial Statements	
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds.....	7
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds.....	9
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund.....	11
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – County Board of Developmental Disabilities Fund.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Motor Vehicle Gas Tax Fund.....	13
Statement of Fund Net Position – Cash Basis – Proprietary Funds.....	14
Statement of Cash Receipts, Disbursements, and Changes in Fund Net Position – Proprietary Funds.....	15
Statement of Fiduciary Net Position – Cash Basis – Custodial Funds.....	16
Statement of Change in Fiduciary Net Position – Cash Basis – Custodial Funds.....	17
Notes to the Basic Financial Statements.....	18
Schedule of Federal Awards Expenditures.....	57
Notes to the Schedule of Federal Awards Expenditures.....	61
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	62
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	64
Schedule of Findings and Questioned Costs.....	67

Schedule of Prior Audit Findings.....	69
Corrective Action Plan.....	70

Independent Auditor's Report

Fayette County
133 South Main Street, Suite 303
Washington Courthouse, Ohio 43160

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fayette County, (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, County Board of Developmental Disabilities, and Motor Vehicle Gas Tax Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Accounting Basis

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

Emphasis of Matter – COVID-19

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

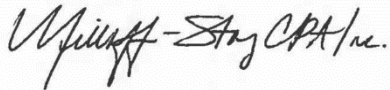
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Awards Expenditures 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Federal Awards Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

August 26, 2022

Fayette County, Ohio
Statement of Net Position - Cash Basis
December 31, 2021

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$33,249,592	\$3,015,384	\$36,264,976
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	489,457	0	489,457
Cash and Cash Equivalents in			
Segregated Accounts	628,231	0	628,231
Cash and Cash Equivalents with Fiscal Agent	90,406	0	90,406
<i>Total Assets</i>	<u>\$34,457,686</u>	<u>\$3,015,384</u>	<u>\$37,473,070</u>
Net Position			
Restricted for:			
Legislative and Executive	\$3,508,740	\$0	\$3,508,740
Judicial	1,207,441	0	1,207,441
Public Safety	1,864,783	0	1,864,783
Public Works	4,794,806	0	4,794,806
Health	4,730,021	0	4,730,021
Human Services	1,775,962	0	1,775,962
Conservation and Recreation	323,029	0	323,029
Economic Development	12,236	0	12,236
Urban Redevelopment	179,185	0	179,185
Debt Services	1,799,118	0	1,799,118
Capital Projects	1,913,705	393,615	2,307,320
Unrestricted	12,348,660	2,621,769	14,970,429
<i>Total Net Position</i>	<u>\$34,457,686</u>	<u>\$3,015,384</u>	<u>\$37,473,070</u>

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Program Cash Receipts			
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Current:				
General Government:				
Legislative and Executive	\$5,261,442	\$1,850,912	\$111,766	\$0
Judicial	2,539,832	718,828	840,337	0
Public Safety	6,880,169	1,119,655	570,442	0
Public Works	6,487,194	569,766	5,568,177	112,412
Health	3,811,604	223,710	3,315,202	0
Human Services	8,145,738	361,372	5,567,636	0
Conservation and Recreation	916,457	197,609	19,938	0
Economic Development and Assistance	1,986	0	0	0
Urban Redevelopment and Housing	502,087	72,030	0	0
Capital Outlay	4,981,984	0	0	801,884
Debt Service:				
Principal Retirement	766,800	0	0	0
Interest and Fiscal Charges	722,409	0	0	0
Payment to Refunded Bond Escrow Agent	20,092,637	0	0	0
<i>Total Governmental Activities</i>	<u>61,110,339</u>	<u>5,113,882</u>	<u>15,993,498</u>	<u>914,296</u>
Business-Type Activities				
Water	983,455	827,086	0	400,000
Sewer	1,005,934	355,475	0	0
Sanitary Revenue Waste	1,052,181	1,303,503	0	0
<i>Total Business-Type Activities</i>	<u>3,041,570</u>	<u>2,486,064</u>	<u>0</u>	<u>400,000</u>
<i>Total Primary Government</i>	<u>\$64,151,909</u>	<u>\$7,599,946</u>	<u>\$15,993,498</u>	<u>\$1,314,296</u>

General Receipts
 Property Taxes Levied for:
 General Purposes
 Board of Development Disabilities
 Emergency Medical Services
 Adult Detention
 Debt Service
 Other Local Taxes
 Sales Tax
 Grants and Entitlements not Restricted to Specific Programs
 Earnings on Investments
 Miscellaneous
 Contributions and Donations
 Proceeds of Sale of Assets
 Bonds Issued
 Refunding Bonds Issued
 Premium of Debt Issued
 Transfers

Total General Receipts and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Primary Government	
	Business-Type Activities	Total
(\$3,298,764)	\$0	(\$3,298,764)
(980,667)	0	(980,667)
(5,190,072)	0	(5,190,072)
(236,839)	0	(236,839)
(272,692)	0	(272,692)
(2,216,730)	0	(2,216,730)
(698,910)	0	(698,910)
(1,986)	0	(1,986)
(430,057)	0	(430,057)
(4,180,100)	0	(4,180,100)
(766,800)	0	(766,800)
(722,409)	0	(722,409)
(20,092,637)		(20,092,637)
(39,088,663)	0	(39,088,663)
0	243,631	243,631
0	(650,459)	(650,459)
0	251,322	251,322
0	(155,506)	(155,506)
(39,088,663)	(155,506)	(39,244,169)
2,080,013	0	2,080,013
2,345,429	0	2,345,429
1,066,052	0	1,066,052
1,543,304	0	1,543,304
148,705	0	148,705
436,809	0	436,809
9,157,320	0	9,157,320
966,874	0	966,874
92,965	0	92,965
3,267,276	2,808	3,270,084
138	0	138
612,813	0	612,813
1,382,964	0	1,382,964
19,360,000	575,000	19,935,000
1,082,013	26,698	1,108,711
(2,970)	2,970	0
43,539,705	607,476	44,147,181
4,451,042	451,970	4,903,012
30,006,644	2,563,414	32,570,058
\$34,457,686	\$3,015,384	\$37,473,070

Fayette County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

	General Fund	County Board of Developmental Disabilities Fund	Motor Vehicle Gas Tax Fund
Assets			
Equity in Pooled Cash and Cash Equivalents	\$11,699,725	\$4,256,727	\$4,666,432
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	489,457	0	0
Cash and Cash Equivalents with Segregated Accounts	134,128	0	0
Cash and Cash Equivalents with Fiscal Agent	0	90,406	0
<i>Total Assets</i>	<u><u>\$12,323,310</u></u>	<u><u>\$4,347,133</u></u>	<u><u>\$4,666,432</u></u>
Fund Balances			
Nonspendable	\$489,457	\$0	\$0
Restricted	0	4,347,133	4,666,432
Committed	0	0	0
Assigned	4,181,344	0	0
Unassigned	7,652,509	0	0
<i>Total Fund Balances</i>	<u><u>\$12,323,310</u></u>	<u><u>\$4,347,133</u></u>	<u><u>\$4,666,432</u></u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$12,626,708	\$33,249,592
0	489,457
494,103	628,231
0	90,406
<u>\$13,120,811</u>	<u>\$34,457,686</u>
\$0	\$489,457
13,095,461	22,109,026
25,350	25,350
0	4,181,344
0	7,652,509
<u>\$13,120,811</u>	<u>\$34,457,686</u>

Fayette County, Ohio
*Statement of Cash Receipts, Disbursements, and Changes
in Cash Basis Fund Balances - Governmental Funds
For the Year Ended December 31, 2021*

	General Fund	County Board of Developmental Disabilities Fund	Motor Vehicle Gas Tax Fund
Receipts			
Property Taxes	\$2,079,240	\$2,345,429	\$0
Other Local Taxes	0	0	0
Sales Tax	8,785,343	0	371,977
Charges for Services	2,274,746	127,071	442,384
Licenses and Permits	6,843	0	0
Fines and Forfeitures	264,578	0	27,246
Intergovernmental	957,962	991,282	5,494,514
Special Assessments	0	0	0
Earnings on Investments	81,388	0	11,226
Contributions and Donations	138	890	0
Other	2,166,800	3,348	3,348
<i>Total Receipts</i>	<u>16,617,038</u>	<u>3,468,020</u>	<u>6,350,695</u>
Disbursements			
Current:			
General Government:			
Legislative and Executive	4,064,855	0	0
Judicial	1,927,698	0	0
Public Safety	5,052,254	0	0
Public Works	698,003	0	5,620,727
Health	198,913	2,806,368	0
Human Services	409,021	0	0
Conservation and Recreation	774,755	0	0
Economic Development and Assistance	0	0	0
Urban Redevelopment and Housing	502,087	0	0
Capital Outlay	423,365	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>14,050,951</u>	<u>2,806,368</u>	<u>5,620,727</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,566,087</u>	<u>661,652</u>	<u>729,968</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	612,813	0	0
Bonds Issued	0	0	0
Refunding Bonds Issued	0	0	0
Premium on Debt Issued	0	0	0
Transfers In	701,090	0	59,000
Transfers Out	(1,118,121)	0	0
Advances In	363,059	0	0
Advances Out	(436,060)	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>122,781</u>	<u>0</u>	<u>59,000</u>
<i>Net Change in Fund Balances</i>	2,688,868	661,652	788,968
<i>Fund Balances Beginning of Year</i>	<u>9,634,442</u>	<u>3,685,481</u>	<u>3,877,464</u>
<i>Fund Balances End of Year</i>	<u><u>\$12,323,310</u></u>	<u><u>\$4,347,133</u></u>	<u><u>\$4,666,432</u></u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$2,758,834	\$7,183,503
436,809	436,809
0	9,157,320
1,766,425	4,610,626
6,850	13,693
197,739	489,563
10,185,271	17,629,029
173,624	173,624
351	92,965
71,125	72,153
1,093,780	3,267,276
<u>16,690,808</u>	<u>43,126,561</u>
1,196,587	5,261,442
612,134	2,539,832
1,827,915	6,880,169
168,464	6,487,194
806,323	3,811,604
7,736,717	8,145,738
141,702	916,457
1,986	1,986
0	502,087
4,558,619	4,981,984
766,800	766,800
722,409	722,409
<u>18,539,656</u>	<u>41,017,702</u>
<u>(1,848,848)</u>	<u>2,108,859</u>
0	612,813
1,382,964	1,382,964
19,360,000	19,360,000
1,082,013	1,082,013
1,225,897	1,985,987
(870,836)	(1,988,957)
444,060	807,119
(371,059)	(807,119)
<u>(20,092,637)</u>	<u>(20,092,637)</u>
<u>2,160,402</u>	<u>2,342,183</u>
311,554	4,451,042
<u>12,809,257</u>	<u>30,006,644</u>
<u>\$13,120,811</u>	<u>\$34,457,686</u>

Fayette County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balance
Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under) Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$2,204,500	\$2,029,461	\$2,029,461	\$0
Sales Tax	8,000,000	8,785,343	8,785,343	0
Charges for Services	1,716,158	2,658,155	1,942,667	(715,488)
Licenses and Permits	1,950	2,376	2,376	0
Fines and Forfeitures	130,000	241,504	241,504	0
Intergovernmental	952,300	948,181	948,181	0
Earnings on Investments	163,991	81,376	81,376	0
Contributions and Donations	0	138	138	0
Other	950,952	2,147,970	2,147,970	0
<i>Total Receipts</i>	14,119,851	16,894,504	16,179,016	(715,488)
Disbursements				
Current:				
General Government				
Legislative and Executive	4,266,324	4,830,584	4,115,082	715,502
Judicial	2,183,385	2,017,271	2,017,271	0
Public Safety	4,272,022	5,054,091	5,054,091	0
Public Works	1,002,147	775,380	775,380	0
Health	195,174	209,717	209,717	0
Human Services	504,098	412,806	412,805	1
Conservation and Recreation	748,013	780,601	780,601	0
Urban Redevelopment and Housing	475,848	533,022	533,022	0
Capital Outlay	438,300	487,677	487,677	0
<i>Total Disbursements</i>	14,085,311	15,101,149	14,385,646	715,503
<i>Excess of Receipts Over Disbursements</i>	34,540	1,793,355	1,793,370	15
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	0	612,813	612,813	0
Transfers In	838,122	873,540	873,540	0
Transfers Out	(941,200)	(1,118,121)	(1,118,121)	0
Advances In	0	363,270	363,270	0
Advances Out	0	(436,271)	(436,271)	0
<i>Total Other Financing Sources (Uses)</i>	(103,078)	295,231	295,231	0
<i>Net Change in Fund Balance</i>	(68,538)	2,088,586	2,088,601	15
<i>Fund Balance Beginning of Year</i>	7,994,324	7,994,324	7,994,324	0
Prior Year Encumbrances Appropriated	485,090	485,090	485,090	0
<i>Fund Balance End of Year</i>	\$8,410,876	\$10,568,000	\$10,568,015	\$15

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balance
Budget and Actual - Budget Basis
County Board of Developmental Disabilities Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under) Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$2,727,843	\$2,295,104	\$2,295,104	\$0
Charges for Services	102,478	127,071	127,071	0
Intergovernmental	713,447	991,282	991,282	0
Contributions and Donations	0	890	890	0
Other	0	3,348	3,348	0
<i>Total Receipts</i>	3,543,768	3,417,695	3,417,695	0
Disbursements				
Health	3,543,768	3,559,024	2,806,144	752,880
<i>Net Change in Fund Balance</i>	0	(141,329)	611,551	752,880
<i>Fund Balance Beginning of Year</i>	3,542,728	3,542,728	3,542,728	0
<i>Fund Balance End of Year</i>	\$3,542,728	\$3,401,399	\$4,154,279	\$752,880

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balance
Budget and Actual - Budget Basis
Motor Vehicle Gas Tax Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under) Positive (Negative)
	Original	Final		
Receipts				
Sales Tax	\$350,000	\$371,977	\$371,977	\$0
Charges for Services	395,305	442,384	442,384	0
Fines and Forfeitures	22,500	27,246	27,246	0
Intergovernmental	4,560,558	5,494,514	5,494,514	0
Earnings on Investments	25,039	11,226	11,226	0
Other	0	3,348	3,348	0
<i>Total Receipts</i>	5,353,402	6,350,695	6,350,695	0
Disbursements				
Public Works	5,871,935	6,224,262	5,834,526	389,736
<i>Excess of Receipts Over (Under) Disbursements</i>	(518,533)	126,433	516,169	389,736
Other Financing Sources				
Transfers In	59,000	59,000	59,000	0
<i>Net Change in Fund Balance</i>	(459,533)	185,433	575,169	389,736
<i>Fund Balance Beginning of Year</i>	3,491,757	3,491,757	3,491,757	0
Prior Year Encumbrances Appropriated	367,192	367,192	367,192	0
<i>Fund Balance End of Year</i>	<u>\$3,399,416</u>	<u>\$4,044,382</u>	<u>\$4,434,118</u>	<u>\$389,736</u>

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2021

	Water District Revenue Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,381,507	\$633,877	\$3,015,384
Net Position			
Restricted for:			
Capital Projects	393,615	0	393,615
Unrestricted	1,987,892	633,877	2,621,769
<i>Total Net Position</i>	<i>\$2,381,507</i>	<i>\$633,877</i>	<i>\$3,015,384</i>

See accompanying notes to the basic financial statements

Fayette County, Ohio
*Statement of Cash Receipts, Disbursements, and Changes
in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2021*

	Water District Revenue Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$827,086	\$1,658,978	\$2,486,064
Operating Disbursements			
Personal Services	199,812	387,935	587,747
Contract Services	143,733	624,304	768,037
Materials and Supplies	19,164	59,779	78,943
Other Operating	0	15,121	15,121
Capital Outlay	38,414	196,861	235,275
<i>Total Operating Disbursements</i>	<u>401,123</u>	<u>1,284,000</u>	<u>1,685,123</u>
<i>Operating Income</i>	<u>425,963</u>	<u>374,978</u>	<u>800,941</u>
Non-Operating Receipts (Disbursements)			
Transfers - In	0	2,970	2,970
Refunding Bonds Issued	0	575,000	575,000
Premium on Debt Issued	0	26,698	26,698
Intergovernmental	400,000	0	400,000
Other	2,808	0	2,808
Payment to Refunded Bond Escrow Agent	0	(588,958)	(588,958)
Principal Retirement	(536,561)	(162,222)	(698,783)
Interest and Fiscal Charges	(45,771)	(22,935)	(68,706)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(179,524)</u>	<u>(169,447)</u>	<u>(348,971)</u>
<i>Change in Net Position</i>	246,439	205,531	451,970
<i>Net Position Beginning of Year</i>	<u>2,135,068</u>	<u>428,346</u>	<u>2,563,414</u>
<i>Net Position End of Year</i>	<u><u>\$2,381,507</u></u>	<u><u>\$633,877</u></u>	<u><u>\$3,015,384</u></u>

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Fiduciary Net Position - Cash Basis
Custodial Funds
December 31, 2021

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$3,481,283
Equity in Cash in Segregated Accounts	<u>572,043</u>
<i>Total Assets</i>	<u><u>\$4,053,326</u></u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$4,053,326</u></u>

See accompanying notes to the basic financial statements

Fayette County, Ohio
Statement of Change in Fiduciary Net Position - Cash Basis
Custodial Funds
For the Year Ended December 31, 2021

	Custodial
Additions	
Intergovernmental	\$3,583,285
Amounts Received as Fiscal Agent	5,095,631
Licenses, Permits, and Fees for Other Governments	4,706,647
Fines and Forfeitures for Other Governments	469,512
Property Tax Collections for Other Governments	33,474,426
Sheriff Sales Collections for Others	274,131
Amounts Received for Others	4,933
Other	493,515
<i>Total Additions</i>	48,102,080
Deductions	
Distributions to the State of Ohio	4,754,365
Distributions of State Funds to Other Governments	3,570,934
Distributions to Other Governments	307,873
Distributions as Fiscal Agent	5,321,806
Property Tax Distributions to Other Governments	33,420,297
Sheriff Sales Distributions to Others	272,538
Distributions to Individuals	272,189
<i>Total Deductions</i>	47,920,002
<i>Change in Fiduciary Net Position</i>	182,078
<i>Net Position Beginning of Year</i>	3,871,248
<i>Net Position End of Year</i>	\$4,053,326

See accompanying notes to the basic financial statements

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - REPORTING ENTITY

Fayette County, Ohio (the County), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The county operates under the direction of a three-member Board of County Commissioners. The County Auditor is responsible for the fiscal controls of the resources of the County which are maintained in the funds described herein. The County Treasurer is the custodian of funds and the investment officer. The voters of the County elect all of these officials. Other elected officials of the County that manage various segments of county operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Judge. Services provided by the County include general government, public safety, health, public works, human services, conservation and recreation services, maintenance of highways and roads, economic development, and urban redevelopment and housing.

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

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Fayette County, this includes the Fayette County Board of Developmental Disabilities, Fayette County Department of Jobs and Family Services, Fayette County Children Services Board, Fayette County Veterans' Services, Fayette County Commission On Aging, Fayette County Senior Nutrition, and all departments and activities that are directly operated by the elected County officials.

Fayette County provides services and/or subsidies to the District Board of Health, Soil and Water Conservation District, and Park District. These are separate reporting entities. The County Auditor is the fiscal agent for the District Board of Health, the Soil and Water Conservation District, and the Park District and the receipts and disbursements of these entities are accounted for in the Custodial Funds of the County.

Through April 30, 2021, Fayette County Memorial Hospital (the Hospital) operated under Ohio Revised Code Section 339. The Hospital was served by a board of trustees appointed by the Fayette County Commissioners and Fayette County judges. The Hospital was considered legally separate from the County. On May 1, 2021, the Hospital's operations were transferred to Adena Fayette Medical Center, an Ohio nonprofit corporation. All remaining assets and liabilities were transferred to the nonprofit corporation.

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The Fayette County Land Reutilization Corporation (Land Bank) was formed on January 22, 2019, as a legally separate not-for-profit organization, created under Ohio Revised Code Section 5722.02 to 5722.15 and Chapter 1724, to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property within the County. The Land Bank will assist and facilitate activities of governmental entities in assembling and clearing title to land for economic development purposes. The Land Bank is governed by a seven member Board of Directors, consisting of two County Commissioners, the County Treasurer, the County Auditor, one representative from the municipal corporation with the largest population (City of Washington Court House), and two representatives from Fayette County. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, and the County is able to impose its will on the operation of the Land Bank, the relationship between the County and the Land Bank is such that exclusion could cause the County's financial statements to be misleading. However, since no material financial activity has occurred, no financial information relating to the Land Bank is presented in the County's financial statements.

The County is associated with certain organizations which are defined as jointly governed organizations, joint ventures, or risk sharing pools. These organizations are:

- Paint Valley Board of Alcohol, Drug Addiction and Mental Health Services
- South Central Regional Juvenile Detention Center
- Fayette County Emergency Management Agency
- Ross, Pickaway, Highland, Fayette Counties Joint Solid Waste District
- Travel and Tourism Bureau
- West Central Ohio Port Authority
- County Risk Sharing Authority, Inc.
- Southern Ohio Council of Governments
- County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan

Paint Valley Board of Alcohol, Drug Addiction, and Mental Health Services – The Paint Valley Board of Alcohol, Drug Addiction and Mental Health Services (ADAMHS) of Pike, Fayette, Highland, Pickaway and Ross Counties is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board received revenue from the participating counties and received federal and state funding through grant monies which are applied for and received by the Board of Trustees. The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board. Fayette County contributed \$642,390 to Paint Valley ADAMHS in 2021.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Fayette County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Fayette County has no ongoing financial interest or responsibility. Complete financial statements can be obtained from the Paint Valley ADAMHS Board, Adam Dyer who serves as Finance Director, 394 Chestnut Street, Chillicothe, Ohio 45601.

South Central Regional Juvenile Detention Center – The South Central Regional Juvenile Detention Center (the Center) is a jointly governed organization. It was created as a holding place for juvenile offenders waiting for disposition by the respective Juvenile Courts of the member counties. The current members include Fayette, Pike, Pickaway, Ross, Jackson, Hocking, Athens, Vinton and Highland Counties. The Center’s Board consists of one member from each participating county that is appointed by the Juvenile Court Judge or a County Commissioner from each county. The joint Board selects the superintendent as the Center’s administrator. The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant’s degree of control is limited to its representation on the Board.

The Center’s revenue is from per diem charges for inmates to the respective counties and a percent of the county tax base to the total base. Ross County is the fiscal agent of the Center. Fayette County does not have any financial interest or responsibility. During 2021, Fayette County contributed \$234,295 to the Center.

Fayette County Emergency Management Agency – Fayette County Emergency Management Agency (EMA) is a joint venture between the County, Townships and Villages. The executive committee consists of a county commissioner, seven chief executives from municipalities and ten townships, with money provided by the members which is reimbursed by the State. The degree of control is limited to the individual representation on the board.

Ross, Pickaway, Highland, Fayette Counties Joint Solid Waste District – The Ross, Pickaway, Highland, Fayette Joint Solid Waste District (the District) is a jointly governed organization among Pickaway, Ross, Highland and Fayette Counties. Each of these governments supports the District. The County contributed \$47,801 during 2021. The Board of Directors consists of twelve members, the three County Commissioners of each of the four counties. The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees. The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant’s degree of control is limited to its representation on the Board.

Travel and Tourism Bureau – The Travel and Tourism Bureau (The Bureau) is a jointly governed organization among the County, two townships and two villages and one City. The Board is made up of six trustees, one from each of the following entities: Fayette County, Village of Jeffersonville, Jefferson Township, City of Washington Court House, Union Township and Octa Village. Trustees are elected on a self-nomination basis. Revenues to operate the Bureau are derived solely from the hotel/motel tax. There is currently no outstanding debt. The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant’s degree of control is limited to its representation on the Board.

West Central Ohio Port Authority – The West Central Ohio Port Authority is a jointly governed organization. It was established under Section 4582.21 of the Ohio Revised Code. Under the Revised Code, the Port Authority is a legally separate entity. The Board of the Authority is comprised of seven members: two members from Champaign County, three from Clark County, and two from Fayette County. The members are appointed by the County Commissioners of each respective county. Fayette

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

County does not approve its budget, nor is it responsible for the Authority's debt. During 2021, the County did not contribute any money to the Authority. The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board.

County Risk Sharing Authority, Inc. – The County Risk Sharing Authority, Inc., is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public official's 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 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 of Trustees. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA.

The participating counties have no responsibility for the payment of the certificates. The Certificates were retired on May 1, 1997. The County has no equity interest in CORSA. The County's payment for insurance to CORSA in 2021 was \$231,753. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

Southern Ohio Council of Governments – The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a fifteen member board with each participating County represented by its Director of its Board of Development Disabilities (BDD). The Board exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as a fiscal agent for the Fayette County BDD's supportive living program monies. The County had a \$90,406 balance on hand with the Council which included investments at cost. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, 167 West Main Street, Chillicothe, Ohio 45601.

County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan – The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio (CCOA) is a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees; fees for risk management services, and general management fees; determining ongoing responsibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and the treasurer of the CCAOSC; the remaining five members are elected for ensuing year by the participants at a meeting held in the month of December each year.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

No participant can have more than one member on the group executive committee in any year, and each elected member shall be a county commissioner.

Management believes the financial statements included in this report represent all of the funds and activities for which the County is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the Basis of Accounting section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

focus of governmental and enterprise 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 reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

Fund Accounting

The County uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The County classifies each fund as either governmental, proprietary, or fiduciary.

Governmental - 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. The following are the County's major governmental funds:

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

County Board of Developmental Disabilities Fund - This fund accounts for and reports monies restricted for providing assistance and training to mentally and developmentally disabled individuals, financed by a County-wide property tax levy and federal and State grants.

Motor Vehicle Gas Tax Fund - This fund accounts for and reports monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

The non-major governmental funds of the County account for and report grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds - The County classifies funds financed primarily from user charges for goods or services as proprietary. The proprietary fund is classified as an enterprise fund.

Water District Revenue Fund - This fund accounts for and reports monies used to provide water services to customers in the county.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) 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 arrangement that has certain characteristics. The County has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Custodial funds are used to 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, and fines and forfeitures collected and distributed to other political subdivisions.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting (See Note 3). Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The County had chosen not to budget and appropriate for advances. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements 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, department, and object level for all funds.

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

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

Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through county records. Interest in the pool is presented as "Equity in pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held for unclaimed monies are recorded under restricted assets as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The Southern Ohio Council of Governments is currently holding deposits that belong to the County. These are represented as "Cash and Cash Equivalents with Fiscal Agent" on the financial statements.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 were \$81,388 which includes \$52,281 assigned from other County funds.

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 12 and 13 the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Pensions

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Long-term Obligations

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash-basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments.

Net Position

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

The County's policy is to first apply restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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. The nonspendable fund balances for the County is unclaimed monies.

Restricted

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

Committed

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

Assigned

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided amounts have been lawfully appropriated.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in the year 2022 appropriated budget.

Unassigned

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

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

Interfund Transactions

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements.

NOTE 3 - COMPLIANCE

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual – budget basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are the following:

1. Cash that is held by the Southern Ohio Council of Governments on behalf of the County Board of Developmental Disabilities Fund are reported on the cash basis.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

2. Budgetary revenues and expenditures of the Police Rotary, Unclaimed Money '98 and Earlier, Unclaimed Money ACH, 3% BBS Fee Assessment, Certificate of Title Administration and Annexation Petition, and Wellness Program Special Revenue Funds are classified to the General Fund for GAAP reporting.
3. Encumbrances outstanding at year-end.
4. Custodial fund distributions to appropriate County Funds.

	General Fund	County Board of Developmental Disabilities Fund	Motor Vehicle Gas Tax Fund
Cash Basis	\$2,688,868	\$661,652	\$788,968
Encumbrances	(417,595)	0	(213,045)
Custodial Activity	(93,860)	(50,101)	(754)
Revenues	172,450	0	0
Excess of revenues, and other financing sources (over) under expenditures and other financing uses:			
Police Rotary	1,695	0	0
Unclaimed Monies	(17,682)	0	0
Assessment Fees	23	0	0
Title Administration	(245,374)	0	0
Wellness Program	76	0	0
Budget Basis	\$2,088,601	\$611,551	\$575,169

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government custodial 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 custodial securities shall be direct issuances of federal government agencies or instrumentalities;

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts; in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above ; commercial paper as described in ORC section 135.143 (6);and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County’s average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County’s average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

At year end, the County had \$1,000 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$3,123,167 of the County's bank balance of \$43,096,985 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's agent, but not in the County's name.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the County 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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 6 – LONG-TERM DEBT

The County's long-term debt activity for the year ended December 31, 2021, was as follows:

	Interest Rate	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
County Building Improvement, 2000	2.00%	\$130,000	\$0	\$130,000	\$0	\$0
County Detention Facility Refunding Bonds, Series 2021	2.00-4.00%	0	19,225,000	560,000	18,665,000	415,000
Total General Obligation Bonds		<u>130,000</u>	<u>19,225,000</u>	<u>690,000</u>	<u>18,665,000</u>	<u>415,000</u>
Various Purpose Bonds:						
Commission On Aging, 2003	3.30%	50,000	0	50,000	0	0
West Lancaster Road, 2003	3.30%	84,000	0	84,000	0	0
Various Purpose Refunding Bonds, Series 2021-1	2.00-3.00%	0	51,000	16,000	35,000	17,000
Various Purpose Refunding Bonds, Series 2021-2	2.00-3.00%	0	84,000	29,000	55,000	28,000
Total Various Purpose Bonds		<u>134,000</u>	<u>135,000</u>	<u>179,000</u>	<u>90,000</u>	<u>45,000</u>
Other Long-Term Obligations:						
Direct Borrowings:						
West Lancaster Road OPWC Loan, 2003	0.00%	20,000	0	2,500	17,500	5,000
Rte. 22 Waterline Loan, 2004	6.25%	16,584	0	4,146	12,438	4,146
Direct Placement:						
County Detention Facility Bond, Series 2019	3.50%	2,570,036	1,382,964	3,953,000	0	0
County Detention Facility Bond, Series 2019	3.50%	6,423,700	0	6,423,700	0	0
County Detention Facility Bond, Series 2019	3.50%	9,388,400	0	9,388,400	0	0
Total Other Long-Term Obligations		<u>18,418,720</u>	<u>1,382,964</u>	<u>19,771,746</u>	<u>29,938</u>	<u>9,146</u>
Total Governmental Activities Long-Term Obligations		<u>\$18,682,720</u>	<u>\$20,742,964</u>	<u>\$20,640,746</u>	<u>\$18,784,938</u>	<u>\$469,146</u>
Business Type Activities:						
General Obligation Bonds:						
Refunding Bonds						
Rattlesnake Sewer WWTP, 1999	5.20%	\$580,000	\$0	\$580,000	\$0	\$0
Various Purpose Refunding Bonds, Series 2021-3	2.00-3.00%	0	575,000	140,000	435,000	140,000
Total General Obligation Bonds		<u>580,000</u>	<u>575,000</u>	<u>720,000</u>	<u>435,000</u>	<u>140,000</u>
OWDA Loans from Direct Borrowings:						
Madison Mills Water, 2006	3.00%	1,658,826	0	536,561	1,122,265	552,779
Good Hope Sewer, 2011	0.00%	288,882	0	22,222	266,660	22,222
Total OWDA Loans from Direct Borrowings		<u>1,947,708</u>	<u>0</u>	<u>558,783</u>	<u>1,388,925</u>	<u>575,001</u>
Total Business Type Long-Term Obligations		<u>\$2,527,708</u>	<u>\$575,000</u>	<u>\$1,278,783</u>	<u>\$1,823,925</u>	<u>\$715,001</u>

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Future Annual Debt Service Requirements

Year	Governmental Activities		
	General Obligation Bonds/Loans		From Direct Borrowings
	Principal	Interest	OPWC Loans Principal
2022	\$464,146	\$516,910	\$5,000
2023	474,146	507,448	5,000
2024	439,146	497,336	5,000
2025	445,000	484,088	2,500
2026	460,000	470,738	0
2027-2031	2,550,000	2,088,690	0
2032-2036	3,020,000	1,626,240	0
2037-2041	3,485,000	1,161,202	0
2042-2046	3,930,000	715,128	0
2047-2051	3,500,000	210,188	0
Total	\$18,767,438	\$8,277,968	\$17,500

Year	Business Type Activities			
	General Obligation Bonds		From Direct Borrowing	
	Principal	Interest	OWDA Loans	
	Principal	Interest	Principal	Interest
2022	\$140,000	\$11,650	\$575,001	\$29,553
2023	145,000	8,850	591,708	12,845
2024	150,000	4,500	22,222	0
2025	0	0	22,222	0
2026	0	0	22,222	0
2027-2031	0	0	111,109	0
2032-2035	0	0	44,441	0
Total	\$435,000	\$25,000	\$1,388,925	\$42,398

The County also has two loans from the Ohio Rotary Commission totaling \$387,593. These loans are not due until the property is sold.

2000 Fayette County Administration Building Rehab

On July 17, 2000 Bonds were issued in the amount of \$1,945,000 for the purpose of remodeling, restoring and upgrading all systems of the building located at 133 S. Main Street, purchased in 1999. The building is to be used for office space for all County Offices not court-related. General Obligation debt matured on December 1, 2021. In 2012, debt was refunded in the amount of \$1,240,000 with the same maturity date. At December 31, 2021 all the refunded bonds were paid off.

2003 Commission on Aging Building Addition

On December 1, 2003 Bonds were issued to fund the building addition to the Fayette County Commission on Aging Building in the amount of \$225,000. Payments to be made through the Commission on Aging from the proceeds of a bequest left to the custodial. During the year the bonds were refunded with the Various Purpose Refunding Bonds, Series 2021-1. At December 31, 2021 all the refunded bonds were paid off.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

2003 West Lancaster Road Relocation

On December 22, 2003 debt was issued in the amount of \$400,000 for the relocation and construction of West Lancaster Road in the Village of Octa. During the year the bonds were refunded with the Various Purpose Refunding Bonds, Series 2021-2. At December 31, 2021 all the refunded bonds were paid off.

2003 West Lancaster Road Relocation

On July 1, 2003 an interest-free direct borrowing was obtained through OPWC in the amount of \$100,000 for part of the relocation and construction of West Lancaster Road in the Village of Octa. General Obligation debt with a maturity date of January 1, 2025. In the event of default OPWC may (1) apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over the Attorney General's Office for collection, and as provided by law, OPWC may require that such payments be taken from the County's share of the undivided local government fund, and the outstanding amounts shall, and (3) at OPWC's option, become immediately due and payable.

2004 Route 22 Waterline

On August 23, 2004 a loan in the amount of \$82,920 was obtained through the Ohio Water and Sewer Rotary Commission to extend a water line to a housing development. This loan will be repaid by Special Assessment from Sugar Creek Packing with a maturity date of December 1, 2024. This loan is a direct borrowing with a late payment penalty of five percent of the payment due with a \$20 minimum charge.

2019 County Detention Facility

On July 15, 2019 the County issued three Bonds with The United States Department of Agriculture, Rural Housing Service (USDA) for the construction of a new Detention Facility. The Bonds were issued in the amount of \$9,500,000, \$6,500,000, and \$4,000,000, respectively. During the year, the County received bond proceeds of \$1,382,964. The bonds were directly placed with the United States Government. In the event of a default, the lender may (1) accelerate payment of the entire principal and other amounts to become immediately due and payable, (2) make the County pay reasonable expenses to cure the cause of default, and (3) take possession of the facility and operate/rent it. These bonds are paid from the Debt Service Fund. During the year, the bonds were refunded with the County Detention Facility Refunding Bonds, Series 2021. At December 31, 2021 all the refunded bonds were paid off.

Various Purpose Refunding Bonds, Series 2021-1, 2021-2, 2021-3

On March 17, 2021, the County issued \$51,000, \$84,000, and \$575,000 in various purpose refunding bonds in order to refund the 2003 Commission on Aging Building Addition bonds, the 2003 West Lancaster Road Relocation bonds, and the 1999 Rattlesnake Waste Water Treatment Plant bonds in order to take advantage of lower interest rates. The bonds will mature on December 1, 2024. The County decreased the total debt service payments by \$39,238 as a result of this refunding.

2021 County Detention Facility Refunding Bonds

On March 17, 2021 the County issued \$19,225,000 refunding bonds in order to refund the 2019 County Detention Facility USDA Bonds in order to take advantage of lower interest rates. These bonds will mature on December 1, 2050. The County decreased total debt service payments by \$3,921,576 as a result of the refunding.

1999 Rattlesnake Waste Water Treatment Plant

On August 25, 1999 issued \$2,130,000 for construction of Rattlesnake Waste Water Treatment Plant. Paid from fees collected through Enterprise fund with a maturity date of December 1, 2024. During the year the bonds were refunded with the Various Purpose Refunding Bonds, Series 2021-3. At December 31, 2021 all the refunded bonds were paid off.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

2006 Madison Mills Water

On September 18, 2006 a loan in the amount of \$4,998,920 was obtained through OWDA to construct, maintain and operate a water project for the benefit of an ethanol plant which was part of an economic development initiative. This loan will be repaid from water revenue enterprise funds fees collected from the plant with a maturity date of January 1, 2024.

2011 Good Hope Sewer

On August 8, 2011 a loan in the amount of \$444,435 was obtained through OWDA to install a sanitary sewer system in the unincorporated avenue of Good Hope. This loan will be repaid by user service charges and has a maturity date of January 1, 2034.

The County’s outstanding OWDA loans from direct borrowings of \$1,388,925 related to business-type activities contain provisions that in an event of default (1) the amount of any such default shall bear interest at the default rate from the due date until the date of payment, (2) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay and additional ate charge of 1percent on the default amount until such charges are paid, and (3) any cost incurred by OWDA to cure the default will be paid by the County either as a direct charge or as part of the project principal amount.

NOTE 7 – SHORT-TERM DEBT

A summary of the note transactions for the year ended December 31, 2021, follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021
Short-Term Liabilities:				
Morgan Group Drainage	\$21,176	\$19,161	\$21,176	\$19,161
Marchant Ditch	433	0	433	0
Ander Drainage Ditch	48,602	25,896	48,602	25,896
Total Short-Term Liabilities	\$70,211	\$45,057	\$70,211	\$45,057

All short-term debt consists of Ditch Improvement notes. They are paid from Special Assessments collected through Real Estate assessments. Interest is paid and any remaining collections are applied to principal. The County’s outstanding short-term notes from direct borrowings contain a provision that in the event of a late payment being over 10 days past due, the County will be charge a \$150 fee. In the event of a default the lender may (1) increase the interest rate by three percent but not to exceed the maximum interest rate limitations under applicable law, (2) accelerate payment of the entire principal and accrued unpaid interest immediately due, and (3) pay any costs associated with curing the default.

NOTE 8 - PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2021, was \$11.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property:	
Residential and Agricultural	\$691,018,190
Commercial/Industrial:	
Public Utility Property	178,479,790
Total Assessed Value	<u><u>\$869,497,980</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the County. The County Auditor periodically remits to the County its portion of the taxes collected.

NOTE 9 - COUNTY SALES TAX

The County Commissioners, by resolution, imposed a one and one half percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to the sales tax. The allocation of sales tax is 95.94 percent to the County's General Fund and 4.06 percent to the Motor Vehicle Gas Tax 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 to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the 20th day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited to the General Fund and the Motor Vehicle and Gas Tax Special Revenue Fund. Permissive Sales and Use tax revenue for 2021 amounted to \$9,157,320.

NOTE 10 – TAX ABATEMENT DISCLOSURE

The County provides tax abatements through the Community Reinvestment Area (CRA) Tax Abatements Program. Pursuant to Ohio Revised Code Chapter 5709, the County established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's tax bill.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

For 2021, the County's property tax revenue was reduced \$12,711 as a result of this CRA tax abatement program.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. By participating in the County Risk Sharing Authority (CORSA), a risk sharing pool for liability, property, auto, and crime insurance, the County has addressed these various types of risk.

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty-six members.

Under the CORSA program for general liability, auto liability, error and omission for public officials, and law enforcement liability, the County has \$5,000,000 of total liability coverage. The limit applies to any one occurrence of loss, with no annual aggregate except for the Error and Omissions for Public Officials and General Liability on Products and Completed Operations Limit, which both have the same per occurrence and annual aggregate limit. For the General Liability (coverage other than products and completed operations limit), Law Enforcement and Auto Liability, there is no annual aggregate. Property damage is on a replacement cost basis.

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

Employee, dishonesty, money and securities inside and out, money orders and counterfeit, and depositor's forgery are covered in the amount of \$1,000,000 aggregate.

In 2021, the County participated in the County Commissioner's Association of Ohio Workers' Compensation Group Rating Plan (CCAO). A workers' compensation group purchasing pool (See Note 1). The intent of the CCAO is 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 counties in the CCAO. Each participant pays its workers' compensation premium to the State based on the rate for the CCAO rather than its individual rate.

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

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 13 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.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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):

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 percent.

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

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:

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	State and Local	Law Enforcement
2021 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee *	10.0 %	**
 2021 Actual Contribution Rates		
Employer:		
Pension ***	14.0 %	18.1 %
Post-employment Health Care Benefits ***	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

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

*** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the County's contractually required contribution was \$1,913,300 for the traditional plan, \$8,477 for the combined plan and \$26,849 for the member-directed plan.

Plan Description - State Teachers Retirement System (STRS)

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

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

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 \$37,355 for 2021.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Net Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the net pension liability for STRS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (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:

	<u>OPERS</u> <u>Traditional Plan</u>	<u>OPERS</u> <u>Combined Plan</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.08432500%	0.02178800%	0.00191954%	
Prior Measurement Date	<u>0.08184400%</u>	<u>0.02094400%</u>	<u>0.00226898%</u>	
Change in Proportionate Share	<u>0.00248100%</u>	<u>0.00084400%</u>	<u>-0.00034944%</u>	
Proportionate Share of the:				
Net Pension Liability	\$12,486,697	\$0	\$245,431	\$12,732,128
Net Pension Asset	0	(62,894)	0	(62,894)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, 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, 2020, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 the 2.15 percent simple.

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 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, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.74
Total	100.00 %	5.43 %

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$23,818,440	\$12,486,697	\$3,064,371
OPERS Combined Plan	(43,794)	(62,894)	(77,130)

Changes between Measurement Date and the Reporting Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions from the actuarial valuation of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions - 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, 2021.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

Actuarial assumptions used in the June 30, 2021, 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
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, 7.45 percent 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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 7.00 percent, 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 (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$459,600	\$245,431	\$64,458

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive 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 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$1,119 for 2021.

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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. 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 percent of covered payroll. For the year ended December 31, 2021, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08012400%	0.00191954%	
Prior Measurement Date	0.07783800%	0.00226898%	
Change in Proportionate Share	0.00228600%	-0.00034944%	
Proportionate Share of the Net:			
OPEB Asset	(\$1,427,473)	(\$40,472)	(\$1,467,945)

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, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

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. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	<u>1% Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
County's proportionate share of the net OPEB asset	(\$354,949)	(\$1,427,473)	(\$2,309,174)

Sensitivity of the County's Proportionate Share of the Net OPEB Asset 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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$1,462,263)	(\$1,427,473)	(\$1,388,549)

Changes Between the Measurement Date and the Reporting date

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net OPEB liability for STRS which was measured as of June 30, 2021

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS 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 as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

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, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$34,152)	(\$40,472)	(\$45,751)
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$45,537)	(\$40,472)	(\$34,208)

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 14 – ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. Due to the County's application of the modified cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

NOTE 15 - CONTINGENT LIABILITIES

Litigation

The County is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the County's financial condition.

Federal and State Grants

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

NOTE 16 - LANDFILL CLOSURE AND POST CLOSURE CARE

During 1993, the County stopped receiving refuse in its public landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Ohio Environmental Protection Custodial officially certified the closure of the landfill in 1993. Any remaining costs associated with the closure of the landfill were paid during 1995.

State and federal laws and regulations require the County to provide financial assurance for the landfill closure and post closure care costs. The County has complied with the requirement by issuing a \$400,000 Landfill Improvement bond in May of 1996 to construct certain landfill improvements associated with post-closure activity. These proceeds have been receipted into the Sanitary Revenue Waste Enterprise Fund.

Currently, the County contracts with a private collection service to handle the solid waste collection and disposal activities for the County at another landfill site.

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

NOTE 17 – FUND BALANCES

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

Fund Balances	General Fund	County Board of Developmental Disabilities Fund	Motor Vehicle Gas Tax Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Unclaimed Monies	\$489,457	\$0	\$0	\$0	\$489,457
Restricted for:					
Legislative and Executive	0	0	0	3,508,740	3,508,740
Judicial	0	0	0	1,207,441	1,207,441
Public Safety	0	0	0	1,864,783	1,864,783
Public Works	0	0	4,666,432	128,374	4,794,806
Health	0	4,347,133	0	382,888	4,730,021
Human Services	0	0	0	1,775,962	1,775,962
Conservation and Recreation	0	0	0	323,029	323,029
Economic Development	0	0	0	12,236	12,236
Urban Redevelopment	0	0	0	179,185	179,185
Debt Services	0	0	0	1,799,118	1,799,118
Capital Projects	0	0	0	1,913,705	1,913,705
<i>Total Restricted</i>	<u>0</u>	<u>4,347,133</u>	<u>4,666,432</u>	<u>13,095,461</u>	<u>22,109,026</u>
Committed to:					
General Drainage Improvements	0	0	0	1,491	1,491
Adult Detention Improvements	0	0	0	23,859	23,859
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,350</u>	<u>25,350</u>
Assigned to:					
Purchases on Order	417,605	0	0	0	417,605
Future Appropriations	3,763,739	0	0	0	3,763,739
<i>Total Assigned</i>	<u>4,181,344</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,181,344</u>
Unassigned:	<u>7,652,509</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,652,509</u>
<i>Total Fund Balances</i>	<u>\$12,323,310</u>	<u>\$4,347,133</u>	<u>\$4,666,432</u>	<u>\$13,120,811</u>	<u>\$34,457,686</u>

NOTE 18 – INTERFUND TRANSACTIONS

Interfund Transfers

During 2021, the following interfund transfers were made:

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	Transfer From		
	General	Nonmajor	Total
	Fund	Governmental Funds	
Transfer To			
General Fund	\$0	\$701,090	\$701,090
Motor Vehicle Gas Tax Fund	59,000	0	59,000
Nonmajor Governmental Funds	1,059,121	166,776	1,225,897
Sewer	0	2,970	2,970
Total All Funds	<u>\$1,118,121</u>	<u>\$870,836</u>	<u>\$1,988,957</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers between non-major governmental funds were for the purpose of supporting like-kind activities as well as to cover debt payments made from debt service funds. Transfers were made from the nonmajor governmental fund to the Sewer Enterprise Fund to make a debt service payment. Transfers were made from the nonmajor governmental fund to the General Fund to pay for the operating expenses related to the Adult Detention Facility.

Interfund Advances

During 2021, the following advances were made:

	Advances Out		
	General	Nonmajor	Total
	Fund	Governmental Funds	
Advances In			
General Fund	\$0	\$363,059	\$363,059
Nonmajor Governmental Funds	436,060	8,000	444,060
Total All Funds	<u>\$436,060</u>	<u>\$371,059</u>	<u>\$807,119</u>

Advances were made from the General Fund to various funds to subsidize operations until anticipated revenues were received. Advances were also made between related non-major special revenue and capital project funds to support projects or operations until anticipated funding is received.

NOTE 19 – SIGNIFICANT COMMITMENTS

Encumbrances

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

Fayette County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

General Fund	\$417,595
Motor Vehicle Gas Tax Fund	213,045
Nonmajor Governmental Funds	1,008,971
Total Governmental Funds	1,639,611
Water District Revenue Fund	388,115
Nonmajor Enterprise Funds	153,800
Total Enterprise Funds	541,915
Total	\$2,181,526

Contractual Commitments

As of December 31, 2021, the County had the following contractual purchase commitments for various projects:

Project/Contractor	Contract Amount	Amount Expended	Balance at December 31, 2021
Granger - Construction Management Services	\$21,689,761	\$21,085,933	\$603,828
CT Consultants - Engineering Services	345,000	4,250	340,750
CTL Engineering, Inc - Goetechnical Exploration	11,500	2,135	9,365
Total	\$22,046,261	\$21,092,318	\$953,943

NOTE 20 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The impact on the County’s future operating costs, revenues, and additional recovery from emergency funding, either federal or State, cannot be estimated.

Fayette County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2021

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Disbursements
United States Department of Agriculture			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2021-11-5922	10.561	\$189,708
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-6922	10.561	<u>75,862</u>
Total SNAP Cluster			265,570
<i>Direct from the Federal Government:</i>			
Community Facilities Loans and Grants	N	10.766	<u>1,382,964</u>
Total United States Department of Agriculture			1,648,534
United States Department of Housing and Urban Development			
<i>Passed Through Ohio Development Services Agency:</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-19-1AW-1	14.228	4,354
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-E-19-1AW-1	14.228	<u>314,499</u>
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			<u>318,853</u>
Total United States Department of Housing and Urban Development			318,853
United States Department of Justice			
<i>Passed through the State of Ohio Attorney General:</i>			
Crime Victim Assistance:			
Crime Victim Assistance	2021-VOCA-133908067	16.575	25,251
Crime Victim Assistance	2022-VOCA-134713432	16.575	<u>9,358</u>
Total Crime Victim Assistance			<u>34,609</u>
Total United States Department of Justice			34,609
United States Department of Labor			
<i>Passed Through Montgomery County Department of Job and Family Services:</i>			
WIOA Cluster:			
WIOA Adult Program	N/A	17.258	87,220
WIOA Youth Activities	N/A	17.259	37,645
WIOA Dislocated Worker Formula Grant	N/A	17.278	<u>93,198</u>
Total WIOA Cluster			218,063
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	N/A	17.207	<u>5,884</u>
Total Employment Service Cluster:			5,884
Unemployment Insurance	N/A	17.225	4,552
Trade Adjustment Assistance	N/A	17.245	940
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	N/A	17.277	<u>3,709</u>
Total United States Department of Labor			233,148

(continued)

Fayette County
Schedule of Federal Awards Expenditures (continued)
For the Year Ended December 31, 2021

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Disbursements
United States Department of Transportation			
<i>Direct from the Federal Government:</i>			
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs:			
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	3-39-0086-012-2019	20.106	\$155,515
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	3-39-0086-014-2021	20.106	119,400
COVID-19 Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	3-39-0086-015-2021	20.106	13,000
Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs			287,915
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	PID #101881	20.205	473,650
Highway Planning and Construction	PID #113411	20.205	7,564
Total Highway Planning and Construction Cluster			481,214
Total United States Department of Transportation			769,129
United States Department of the Treasury			
Coronavirus Relief Fund:			
<i>Passed Through Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus Relief Fund	HB481-CRF-Local	21.019	112,728
<i>Direct from Federal Government:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N	21.027	468,600
Total United States Department of the Treasury			581,328
National Endowment for the Humanities			
<i>Passed Through The State Library of Ohio:</i>			
COVID-19 Grants to States	ARPA-D-7-22	45.310	1,893
Total National Endowment for the Humanities			1,893
United States Department of Education			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education Grants to States	3M20	84.027	54,803
Special Education Preschool Grants	3C50	84.173	28,945
Total Special Education Cluster (IDEA)			83,748
Special Education-Grants for Infants and Families	H181A200024	84.181	15,661
Total United States Department of Education			99,409
United States Department of Health and Human Services			
<i>Passed Through Ohio Department of Aging:</i>			
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	N/A	93.044	60,693
Special Programs for the Aging, Title III, Part C, Nutrition Services	N/A	93.045	109,708
Total Aging Cluster			170,401
Medicare Enrollment Assistance Program	N/A	93.071	80
Low-Income Home Energy Assistance	N/A	93.568	3,800
<i>Passed Through Ohio Department of Job and Family Services:</i>			
COVID-19 Elder Abuse Prevention Interventions Program	G-2021-11-5922	93.747	2,067

(continued)

Fayette County
Schedule of Federal Awards Expenditures (continued)
For the Year Ended December 31, 2021

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Disbursements
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Temporary Assistance for Needy Families (TANF):			
Temporary Assistance for Needy Families	G-2021-11-5922	93.558	\$333,486
Temporary Assistance for Needy Families	G-2223-11-6922	93.558	13,761
Total Temporary Assistance for Needy Families (TANF)			<u>347,247</u>
MaryLee Allen Promoting Safe and Stable Families Program:			
MaryLee Allen Promoting Safe and Stable Families Program	G-2021-11-5922	93.556	42,407
MaryLee Allen Promoting Safe and Stable Families Program	G-2223-11-6922	93.556	20,400
Total MaryLee Allen Promoting Safe and Stable Families Program			<u>62,807</u>
Child Support Enforcement:			
Child Support Enforcement	G-2021-11-5922	93.563	484,365
Child Support Enforcement	G-2223-11-6922	93.563	128,530
Total Child Support Enforcement			<u>612,895</u>
Stephanie Tubbs Jones Child Welfare Services Program:			
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-5922	93.645	22,964
Stephanie Tubbs Jones Child Welfare Services Program	G-2223-11-6922	93.645	13,831
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>36,795</u>
Adoption Assistance:			
Adoption Assistance	G-2021-11-5922	93.659	72,512
Adoption Assistance	G-2223-11-6922	93.659	29,735
Total Adoption Assistance			<u>102,247</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood:			
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2021-11-5922	93.674	56,894
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2223-11-6922	93.674	508
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			<u>57,402</u>
Foster Care_Title IV-E :			
Foster Care_Title IV-E	G-2021-11-5922	93.658	622,926
Foster Care_Title IV-E	G-2223-11-6922	93.658	218,901
Total Foster Care_Title IV-E			<u>841,827</u>
Child Care Development Fund Cluster:			
Child Care and Development Block Grant	G-2021-11-5922	93.575	40,799
Child Care and Development Block Grant	G-2223-11-6922	93.575	14,666
Total Child Care Development Fund Cluster			<u>55,465</u>
Social Services Block Grant:			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Social Services Block Grant	G-2021-11-5922	93.667	189,718
Social Services Block Grant	G-2223-11-6922	93.667	75,231
Total Social Services Block Grant			<u>264,949</u>
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
Social Services Block Grant	2101OHSOSR	93.667	22,690
Total Social Services Block Grant			<u>287,639</u>
Medicaid Cluster:			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Medical Assistance Program	G-2021-11-5922	93.778	246,600
Medical Assistance Program	G-2223-11-6922	93.778	64,449
Total Medical Assistance Program			<u>311,049</u>
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
Medical Assistance Program	2105OH5ADM	93.778	89,150
Medical Assistance Program	2205OH5ADM	93.778	29,246
Total Medical Assistance Program			<u>118,396</u>

(continued)

Fayette County
Schedule of Federal Awards Expenditures (continued)
For the Year Ended December 31, 2021

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Disbursements
<i>Passed Through Ohio Department of Aging:</i>			
Medical Assistance Program	N/A	93.778	<u>\$44,881</u>
Total Medicaid Cluster			<u>474,326</u>
Total United States Department of Health and Human Services			3,054,998
United States Department of Homeland Security			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Hazard Mitigation Grant	FEMA-DR-4360-OH	97.039	3,214
Emergency Management Performance Grants:			
Emergency Management Performance Grants	EMC-2020-EP-00004	97.042	26,039
Emergency Management Performance Grants	EMC-2019-EP-00005	97.042	<u>4,863</u>
Total Emergency Management Performance Grants			<u>30,902</u>
Total United States Department of Homeland Security			<u>34,116</u>
Total Federal Awards Expenditures			<u><u>\$6,776,017</u></u>

N - direct from federal government.
N/A - pass-through entity number not available.
See the accompanying notes to the schedule of federal awards expenditures.

Fayette County
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2021

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) includes the federal award activity of Fayette County (the County) under programs of the federal government for the year ended December 31, 2021. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

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

Note 4 – Matching Requirements

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with applicable matching requirements. The expenditure on non-federal matching funds is not included in the schedule.

Note 5 – Developmental Disabilities Cost Report Settlements

During 2021, the Fayette County Board of Developmental Disabilities received a settlement payment for the 2017 and 2018 Cost Reports from the Ohio Department of Developmental Disabilities for the Medicaid Program (Assistance Listing #93.778) in the amount of \$2,120 and \$2,161, respectively. The Cost Report settlement payment was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This revenue is not listed on the County's schedule of expenditures of federal awards since the underlying expenses occurred in prior reporting periods.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Fayette County
133 South Main Street, Suite 303
Washington Courthouse, Ohio 43160

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fayette County, (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 26, 2022, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

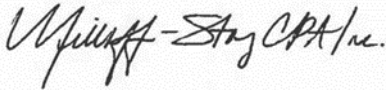
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

August 26, 2022

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Fayette County
133 South Main Street, Suite 303
Washington Courthouse, Ohio 43160

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Fayette County, Ohio, (the County) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

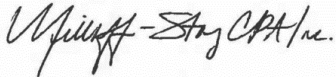
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

August 26, 2022

Fayette County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified (Cash Basis)
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		Yes
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major federal programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		Community Facilities Loans and Grants (AL #10.766), COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027), Foster Care Title IV-E (AL #93.658), Adoption Assistance (AL #93.659)
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?		No

Section II – Financial Statement Findings

Finding 2021-001

Noncompliance – Annual Financial Reports

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). This report is required to be filed with the Auditor of State’s office within 150 days of fiscal year-end.

Fayette County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Finding 2021-001 (Continued)

Noncompliance – Annual Financial Reports (Continued)

The County prepares its financial statements in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, deferred inflows and outflows of resources, net position and fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other remedies may be taken against the County. As such, we recommend the County take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Client Response:

See accompanying corrective action plan.

James Garland
704 Miami Trace Rd SW
Washington C.H., Ohio 43160

Daniel C. Dean
1001 Country Side Drive
Washington C.H., Ohio 43160

Tony Anderson
11524 Cook-Yankeetown Rd NE
Mt. Sterling, Ohio 43143

Dana Foor, Adm. Clerk

Fayette County Commissioners
Suite 401 – 133 South Main Street
Washington C.H., Ohio 43160
Phone (740) 335-0720 – Fax (740) 333-3530

*Schedule of Prior Audit Findings
For the Year Ended December 31, 2021*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2020-001	Noncompliance with Ohio Revised Code Section 117.38/Ohio Administrative Code Section 117-2-03(B) – Annual Financial Reports	No	Reissued as Finding 2021-001
Finding 2020-002	Material Weakness – Exclusion of Fayette County Memorial Hospital from Financial Statements	Yes	Finding No Longer Valid
Finding 2020-003	Noncompliance with Ohio Revised Code Section 5705.39 – Appropriations in Excess of Estimated Resources	Yes	

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*Corrective Action Plan
For the Year Ended December 31, 2021*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	Fayette County will continue to file our year-financial reports on a cash basis. This is done due to the high cost of converting to GAAP.	N/A	Fayette County Auditor

OHIO AUDITOR OF STATE KEITH FABER



FAYETTE 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 10/25/2022

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