OHIO AUDITOR OF STATE
KEITH FABER

HARRISON COUNTY
DECEMBER 31, 2021

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HARRISON COUNTY
DECEMBER 31, 2021

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Harrison County, Ohio (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, 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 comparisons for the General, Board of Developmental Disabilities and Gas Tax Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinion

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 opinion.

Emphasis of Matter - Accounting Basis

Ohio Administrative Code § 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

As discussed in Note 2 to the financial statements, during 2021, the County has elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards*. Also, the County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

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 to opine on the financial statements as a whole that collectively comprise the County's basic financial statements.

The Schedule of Expenditures of Federal Awards 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 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 to 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

February 6, 2023

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

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 37,016,112	$ 624,040	$ 37,640,152
Cash and Cash Equivalents in Segregated Accounts	12,191	-	12,191
Total Assets	37,028,303	624,040	37,652,343
Liabilities			
Net Position			
Restricted for:			
Capital Outlay	9,001,073	-	9,001,073
Debt Service	126	-	126
Legislative and Executive	1,947,162	-	1,947,162
Judicial	1,972,801	-	1,972,801
Public Works	2,838,461	-	2,838,461
Human Services	5,039,114	-	5,039,114
Health	4,714,869	-	4,714,869
Public Safety	2,234,020	-	2,234,020
Other Purposes	2,072,984	-	2,072,984
Unrestricted	7,207,693	624,040	7,831,733
Total Net Position	$ 37,028,303	$ 624,040	$ 37,652,343

See accompanying notes to the basic financial statements.

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

		Program Receipts			Net (Disbursement) Receipts and Changes in Net Position		
	Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government							
Legislative and Executive	$ 4,753,642	$ 1,814,647	$ 164,341	$ -	$ (2,774,654)	$ -	$ (2,774,654)
Judicial	2,109,270	589,208	537,264	-	(982,798)	-	(982,798)
Public Safety	5,964,328	756,361	170,039	-	(5,037,928)	-	(5,037,928)
Public Health	1,964,253	66,960	424,781	-	(1,472,512)	-	(1,472,512)
Human Services	7,229,600	417,719	5,890,552	-	(921,329)	-	(921,329)
Public Works	4,484,339	725,723	4,748,893	-	990,277	-	990,277
Capital Outlay	4,375,679	-	-	1,830,378	(2,545,301)	-	(2,545,301)
Debt Service							
Principal Retirement	166,160	-	-	-	(166,160)	-	(166,160)
Interest and Fiscal Charges	5,291	-	-	-	(5,291)	-	(5,291)
Total Governmental Activities	31,052,562	4,370,618	11,935,870	1,830,378	(12,915,696)	-	(12,915,696)
Business-Type Activities							
Water	511,315	322,697	-	-	-	(188,618)	(188,618)
Sewer	309,126	65,546	-	216,148	-	(27,432)	(27,432)
Public Transit	647,719	267,623	449,798	-	-	69,702	69,702
Total Business-Type Activities	1,468,160	655,866	449,798	216,148	-	(146,348)	(146,348)
Total	$ 32,520,722	$ 5,026,484	$ 12,385,668	$ 2,046,526	(12,915,696)	(146,348)	(13,062,044)

	Governmental Activities	Business-Type Activities	Total
General Receipts			
Property Taxes Levied for:			
General Purposes	2,312,845	-	2,312,845
Health	2,319,234	-	2,319,234
County Home	1,704,671	-	1,704,671
Human Services	874,072	-	874,072
Public Safety	2,084,652	-	2,084,652
Other Purposes	648,380	-	648,380
Sales Taxes Levied for:			
General Purposes	2,555,397	-	2,555,397
Capital Outlay	795,349	-	795,349
Other Purposes	40,536	-	40,536
Grants and Entitlements not Restricted to Specific Programs	915,521	-	915,521
Payments in Lieu of Taxes	1,589	-	1,589
Other Local Taxes	39,183	-	39,183
Proceeds of OWDA Loans	-	94,678	94,678
Investment Earnings	98,224	-	98,224
Miscellaneous	1,837,267	15,099	1,852,366
Total General Receipts	16,226,920	109,777	16,336,697
Transfers	(300,005)	300,005	-
Total General Receipts and Transfers	15,926,915	409,782	16,336,697
Change in Net Position	3,011,219	263,434	3,274,653
Net Position Beginning of Year (Restated, See Note 2)	34,017,084	360,606	34,377,690
Net Position End of Year	$ 37,028,303	$ 624,040	$ 37,652,343

See accompanying notes to the basic financial statements.

Harrison County, Ohio
Statement of Cash Basis Assets and Fund Balance
Governmental Funds
December 31, 2021

	General	Board of Developmental Disabilities Fund	Gas Tax Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 6,876,195	$ 4,701,169	$ 2,742,758	$ 4,410,085	$ 17,783,982	$ 36,514,189
Cash and Cash Equivalents in Segregated Accounts	6,742	-	-	-	5,449	12,191
Total Assets	$ 6,882,937	$ 4,701,169	$ 2,742,758	$ 4,410,085	$ 17,789,431	$ 36,526,380
Fund Balances						
Nonspendable	165,309	-	-	-	-	165,309
Restricted	-	4,701,169	2,742,758	4,410,085	17,801,289	29,655,301
Committed	-	-	-	-	1,402	1,402
Assigned	1,505,058	-	-	-	-	1,505,058
Unassigned	5,212,570	-	-	-	(13,260)	5,199,310
Total Fund Balance	6,882,937	4,701,169	2,742,758	4,410,085	17,789,431	36,526,380
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,882,937	$ 4,701,169	$ 2,742,758	$ 4,410,085	$ 17,789,431	$ 36,526,380

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position - Cash Assets of Governmental Activities
December 31, 2021

Total Governmental Fund Balances	$	36,526,380
Amounts reported for governmental activities in the statement of net position are different because:		
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and net position of the internal service fund are included in governmental activities in the statement of net position.		501,923
Net Position of Governmental Activities	$	37,028,303

See accompanying notes to the basic financial statements.

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

	General	Board of Developmental Disabilities Fund	Gas Tax Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property Taxes	$ 2,312,845	$ 2,319,234	$ -	$ -	$ 5,311,775	$ 9,943,854
Sales Taxes	2,555,397	-	-	522,773	313,112	3,391,282
Other Local Taxes	-	-	-	-	39,183	39,183
Payments in Lieu of Taxes	1,589	-	-	-	-	1,589
Charges for Services	1,099,155	-	687,012	-	2,420,923	4,207,090
Licenses and Permits	875	-	7,300	-	-	8,175
Fines and Forfeitures	81,165	-	24,907	-	49,281	155,353
Intergovernmental	915,521	424,331	4,658,157	-	8,673,299	14,671,308
Investment Income	98,224	-	4,314	-	-	102,538
Contributions and Donations	-	400	-	-	5,747	6,147
Miscellaneous	1,213,217	47,465	49,732	-	526,853	1,837,267
Total Receipts	8,277,988	2,791,430	5,431,422	522,773	17,340,173	34,363,786
Disbursements						
Current:						
General Government						
Legislative and Executive	3,828,049	-	-	-	928,046	4,756,095
Judicial	1,376,220	-	-	-	733,684	2,109,904
Public Safety	1,690,965	-	-	-	4,274,547	5,965,512
Public Health	-	1,861,182	-	-	103,071	1,964,253
Human Services	289,078	-	-	-	6,942,425	7,231,503
Public Works	142,079	-	4,256,642	-	86,717	4,485,438
Capital Outlay	-	454,978	776,218	588,156	2,556,327	4,375,679
Debt Service:						
Principal Retirement	-	-	106,931	-	59,229	166,160
Interest and Fiscal Charges	-	-	2,656	-	2,635	5,291
Total Disbursements	7,326,391	2,316,160	5,142,447	588,156	15,686,681	31,059,835
Excess of Receipts Over (Under) Disbursements	951,597	475,270	288,975	(65,383)	1,653,492	3,303,951
Other Financing Sources (Uses)						
Advances In	9,333	-	-	-	130,000	139,333
Advances Out	(130,000)	-	-	-	(9,333)	(139,333)
Transfers In	-	-	-	-	888,502	888,502
Transfers Out	(1,188,507)	-	-	-	-	(1,188,507)
Total Other Financing Sources (Uses)	(1,309,174)	-	-	-	1,009,169	(300,005)
Net Change in Fund Balances	(357,577)	475,270	288,975	(65,383)	2,662,661	3,003,946
Fund Balances Beginning of Year (Restated, See Note 2)	7,240,514	4,225,899	2,453,783	4,475,468	15,126,770	33,522,434
Fund Balances End of Year	$ 6,882,937	$ 4,701,169	$ 2,742,758	$ 4,410,085	$ 17,789,431	$ 36,526,380

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Reconciliation of the Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances of Governmental Funds to the Statement of Activities - Cash Basis

For the Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	$	3,003,946
Amounts reported for governmental activities in the statement of activities are different because:		
The internal service fund used by management to charge the costs of insurance to invididual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		7,273
Change in Net Position of Governmental Activities	$	3,011,219

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Cash Receipts, Disbursements and Changes in
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property Taxes	$ 2,207,000	$ 2,407,000	$ 2,312,845	$ (94,155)
Sales Taxes	2,500,000	2,500,000	2,555,397	55,397
Payments in Lieu of Taxes	-	-	1,589	1,589
Charges for Services	788,550	788,600	810,386	21,786
Licenses and Permits	1,000	1,300	875	(425)
Fines and Forfeitures	83,000	86,000	81,165	(4,835)
Intergovernmental	700,999	801,999	915,521	113,522
Investment Income	-	93,241	98,224	4,983
Miscellaneous	1,959,000	1,655,759	1,078,075	(577,684)
Total Receipts	8,239,549	8,333,899	7,854,077	(479,822)
Disbursements				
Current:				
General Government				
Legislative and Executive	3,493,311	3,504,709	3,227,459	277,250
Judicial	1,552,119	1,606,000	1,376,192	229,808
Public Safety	1,170,658	1,515,658	1,452,890	62,768
Human Services	527,675	527,675	289,078	238,597
Public Works	129,834	146,084	142,079	4,005
Total Disbursements	6,873,597	7,300,126	6,487,698	812,428
Excess of Receipts Over (Under) Disbursements	1,365,952	1,033,773	1,366,379	332,606
Other Financing Sources (Uses)				
Advances In	-	-	9,333	9,333
Advances Out	-	-	(130,000)	(130,000)
Transfers Out	(1,216,400)	(1,633,971)	(1,518,507)	115,464
Total Other Financing Sources (Uses)	(1,216,400)	(1,633,971)	(1,639,174)	(5,203)
Net Change in Fund Balance	149,552	(600,198)	(272,795)	327,403
Fund Balance Beginning of Year	5,916,998	5,916,998	5,916,998	-
Fund Balance End of Year	$ 6,066,550	$ 5,316,800	$ 5,644,203	$ 327,403

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property Taxes	$ 1,600,000	$ 2,300,000	$ 2,319,234	$ 19,234
Intergovernmental	181,000	380,221	424,331	44,110
Contributions and Donations	900	200	400	200
Miscellaneous	50,000	69,358	47,465	(21,893)
Total Receipts	1,831,900	2,749,779	2,791,430	41,651
Disbursements				
Current:				
Public Health	3,491,726	3,036,748	1,880,444	1,156,304
Capital Outlay	-	454,978	454,978	-
Total Disbursements	3,491,726	3,491,726	2,335,422	1,156,304
Excess of Receipts Over (Under) Disbursements	(1,659,826)	(741,947)	456,008	1,197,955
Net Change in Fund Balance	(1,659,826)	(741,947)	456,008	1,197,955
Fund Balance Beginning of Year	4,199,064	4,199,064	4,199,064	-
Fund Balance End of Year	$ 2,539,238	$ 3,457,117	$ 4,655,072	$ 1,197,955

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Cash Receipts, Disbursements and Changes in
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Gas Tax Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Charges for Services	$ 385,780	$ 754,257	$ 687,012	$ (67,245)
Licenses and Permits	6,260	7,660	7,300	(360)
Fines and Forfeitures	27,000	27,000	24,907	(2,093)
Intergovernmental	3,222,500	3,390,000	4,658,157	$ 1,268,157
Investment Income	6,500	6,500	4,314	(2,186)
Miscellaneous	362,000	207,477	49,732	(157,745)
Total Receipts	4,010,040	4,392,894	5,431,422	1,038,528
Disbursements				
Current:				
Public Works	4,856,667	4,678,399	4,252,717	425,682
Capital Outlay	-	776,218	776,218	-
Debt Service:				
Principal Retirement	298,427	298,427	106,931	191,496
Interest and Fiscal Charges	2,656	2,656	2,656	-
Total Disbursements	5,157,750	5,755,700	5,138,522	617,178
Excess of Receipts Over (Under) Disbursements	(1,147,710)	(1,362,806)	292,900	1,655,706
Net Change in Fund Balance	(1,147,710)	(1,362,806)	292,900	1,655,706
Fund Balance Beginning of Year	2,453,783	2,453,783	2,453,783	-
Fund Balance End of Year	$ 1,306,073	$ 1,090,977	$ 2,746,683	$ 1,655,706

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Fund Net Position - Cash Basis

Proprietary Funds

December 31, 2021

	Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Assets		
Current Assets:		
Equity in Pooled Cash and Investments	$ 624,040	$ 501,923
Net Position		
Unrestricted	624,040	501,923
Total Net Position	$ 624,040	$ 501,923

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Cash Receipts, Disbursements and Changes in Fund Net Position - Cash Basis

Proprietary Funds

For the Year Ended December 31, 2021

		Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Funds
Operating Receipts		
Charges for Services	$ 655,866	$ 35,520
Other	15,099	-
Total Operating Receipts	670,965	35,520
Operating Disbursements		
Personal Services	1,198,835	-
Contractual Services	-	28,247
Materials and Supplies	121,965	-
Capital Outlay	106,187	-
Other	24,216	-
Total Operating Disbursements	1,451,203	28,247
Operating Income (Loss)	(780,238)	7,273
Non-Operating Receipts (Disbursements)		
Capital Grants and Contributions	216,148	-
Intergovernmental	449,798	-
Proceeds of OWDA Loans	94,678	-
Principal Retirement	(16,285)	-
Interest	(672)	-
Total Non-Operating Receipts (Disbursements)	743,667	-
Income (Loss) Before Transfers	(36,571)	7,273
Transfers In	300,005	-
Change in Net Position	263,434	7,273
Net Position Beginning of Year	360,606	494,650
Net Position End of Year	$ 624,040	$ 501,923

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Fiduciary Net Position - Cash Basis

Fiduciary Funds

December 31, 2021

	Custodial
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 3,193,970
Cash and Cash Equivalents in Segregated Accounts	221,072
Total Assets	3,415,042
Net Position	
Restricted for Individuals, Organizations, and Other Governments	3,415,042
Total Net Position	$ 3,415,042

See accompanying notes to the basic financial statements.

Harrison County, Ohio

Statement of Changes in Fiduciary Net Position - Net Position

Fiduciary Funds

For the Year Ended December 31, 2021

		Custodial
Additions		
Intergovernmental		3,369,017
Amounts Received as Fiscal Agent		2,209,281
Licenses, Permits & Fees for Other Governments		1,042,584
Fines & Forfeitures for Other Governments		343,040
Property Tax Collections for Other Governments		32,988,251
Sheriff Sale Collections for Other Governments		65,878
Amounts Received for Others		22,563
Total Additions		40,040,614
Deductions		
Distributions as Fiscal Agent		1,821,496
Distributions of State Funds to Other Goverments		3,370,857
Licenses, Permits & Fees Distributions to Other Governments		978,707
Fines & Forfeitures Distributions to Other Governments		311,805
Property Tax Distributions to Other Governments		32,591,866
Sheriff Sale Distributions to Other Governments		54,055
Other Distributions		279,699
Total Deductions		39,408,485
Change in Net Position		632,129
Net Position Beginning of Year (Restated, See Note 2)		2,782,913
Net Position End of Year	$	3,415,042

See accompanying notes to the basic financial statements.

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NOTE 1 – REPORTING ENTITY

Harrison County (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 operated under the direction of a three-member elected Board of County Commissioners. A county auditor and county treasurer, both of whom are elected, are responsible for the fiscal control of the resources of the County which are maintained in the funds below. Other officials elected by the voters of the County that manage the County's operations are the county recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, one common pleas judge, one county court judge and one probate/juvenile judge. Although these elected officials manage the internal operations of their respective departments, the Board of County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting authority, and the chief administrators of the public services of the County. Services provided by the County include general government, both executive and judicial, law enforcement, public works, public safety, health, welfare, conservation, and maintenance of highways, roads, and bridges. Taxes are levied, collected, and distributed to the schools, townships, municipalities, and appropriate County funds.

The County utilizes the standards of Government Accounting Standards Board (GASB) Statement 14 for determining the reporting entity, as well as GASB Statement 39, *Determining Whether Certain Organizations are Component Units,* an amendment of GASB Statement 14 and GASB Statement 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Harrison County, this includes the District Board of Health, Soil Conservation Services, and all departments and activities that are directly operated by the elected officials.

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

Harrison County General Health District is governed by the Board of Health. The Board adopts its own budget, hires and fires its own staff, and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District. The County cannot influence the Health District's operations, nor is it obligated for the Health District's debt.

Harrison County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The County participates in the following jointly governed organizations, and a public entity risk pools. These organizations are presented in Notes 14, 15 and 16 to the basic financial statements. These organizations are:

- Belmont, Carroll, Harrison and Jefferson Counties Council of Governments
- County Risk Sharing Authority, Inc. (CORSA)
- Harrison County Community Improvement Corporation (CIC)

The County's management believes these financial statements present all activities for which the County is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under Basis of Accounting, 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 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.

A. 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 activity of the internal service funds is eliminated to avoid "doubling up" receipts and disbursements. 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 interest earned on grants that is 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 focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions and nonoperating 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 nonoperating.

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

> ***General*** – The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Board of Developmental Disabilities*** – The Board of Developmental Disabilities Fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled residents of the County. Receipt sources are primarily federal and state grant monies and a county-wide property tax levy.
>
> ***Gas Tax*** – The Motor Vehicle and Gasoline Tax Fund accounts for receipts derived from motor vehicle licenses, gasoline taxes, grants and interest. Disbursements in this fund are restricted by state law to County road and bridge repair/improvements programs.
>
> ***Capital Improvements Fund*** – The Capital Improvements Fund is used to account for monies received by the Sales Tax Revenue and debt proceeds used for building construction and improvements within the County.

The other 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. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds – Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County has no major enterprise funds.

The nonmajor enterprise fund accounts for sewer projects, public transit and water services provided to County individual and commercial users. The costs of providing these services are provided primarily through user charges.

Internal Service Funds – The Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's internal service funds account for self-insurance programs for employee dental, eye and life insurance benefits that are financed by the County and its participating employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County has no trust funds. 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.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the County are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources 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.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on 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, program, 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 the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

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

E. Cash and Investments

To improve cash management, cash received by the County, except cash held by a fiscal agent, 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 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

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 $98,224, which includes $16,009 assigned from other County funds.

F. 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.

G. 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.

H. 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.

I. 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.

J. Pensions/Other Postemployment Benefits (OPEB)

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

K. 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

L. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay are reported at inception. Lease payments are reported when paid.

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include the senior citizens services, court programs, various health services, 911 system and economic development.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints placed on 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.
>
> ***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 a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> ***Assigned*** 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 policies of the County Commissioners. County Commissioners have by resolution authorized the County Auditor to assign fund balance. County Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.
>
> ***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which 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.

O. Implementation Of New Accounting Principles And Restatement Of Fund Balance And Net Position

<u>*Change in Basis of Accounting*</u>

For year ended December 31, 2021, the County ceased to report using regulatory basis and reported on the cash basis as described in Note 2.

Implementation of New Accounting Principles

For the year ended December 31, 2021, the County has (to the extent it applies to the cash basis of accounting) implemented Governmental Accounting Standards Board (GASB) Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 98*, The Annual Comprehensive Financial Report*, Statement No. 84, *Fiduciary Activities and* Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the County.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the County's financial statements (see below).

GASB Statement No. 88 establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. These changes were incorporated in the County's 2021 financial statements; however, there was no effect on beginning net position.

Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position/fund balances as reported December 31, 2020:

	Governmental Activities
Net Position, December 31, 2020	$ 33,486,307
GASB Statement No. 84	530,777
Restated Net Position, December 31, 2020	$ 34,017,084

The implementation of GASB 84 had the following effect on fund balance as reported December 31, 2020:

	General Fund	Board of Developmental Disabilities	Other Governmental Funds	Permanent Funds
Fund Balance, December 31, 2020	$ 6,352,228	$ 4,199,064	$ 15,511,114	$ 67,056
GASB Statement No. 84	888,286	26,835	(384,344)	(67,056)
Restated Fund Balance, December 31, 2020	$ 7,240,514	$ 4,225,899	$ 15,126,770	$ -

The implementation of GASB 84 had the following effect on fiduciary net position as reported December 31, 2020:

	Fiduciary Funds	
	Agency	Custodial
Net Position, December 31, 2020	$ 1,424,758	$ -
GASB Statement No. 84	(1,424,758)	2,782,913
Restated Net Position, December 31, 2020	$ -	$ 2,782,913

NOTE 3 – 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 Cash Receipts, Disbursements and Change in Cash Basis Fund Balance – Budget and Actual (Budget Basis) for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).

2. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (cash basis) in the appropriate County fund.

3. Some funds are included in the general fund (cash basis), but have separate legally adopted budgets.

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

	General	Board of Developmental Disabilities	Gas Tax
Cash Basis	$ (357,577)	$ 475,270	$ 288,975
Beginning of Year:			
Custodial Fund Cash Allocation	271,474	26,835	-
End of Year:			
Custodial Fund Cash Allocation	(299,902)	(46,097)	-
Funds Budgeted Elsewhere *	113,382	-	-
Adjustment for Encumbrances	(172)	-	3,925
Budget Basis	$ (272,795)	$ 456,008	$ 292,900

* As part of Governmental Accounting Standards Board Statement No. 54, ***Fund Balance Reporting***, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on the cash basis statements. This includes Certificate of Title Administration, Recorders Equipment, Workers Compensation and Unclaimed Money funds.

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the County into three categories.

Active deposits are public deposits necessary to meet the current demands on the treasury. Such 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.

Inactive deposits are public deposits that County has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be invested or deposited in the following securities:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon Unites States treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

9. Up to forty percent of the County's average portfolio 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 need exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;

   b. Banker's acceptances eligible for purchase by the Federal Reserve System and which mature within 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 that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;

11. No-load money market mutual fund rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,

12. Up to one 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 the United States.

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

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Cash on Hand

At year end, the County had $2,038 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

Custodial credit risk is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are the possession of an outside party. At year ended December 31, 2021, $345,170 of the County's total bank balance $26,490,246 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the County's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

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.

Investments

At December 31, 2021, the County had the following investments.

S&P Global Ratings	Investment Type	Cost	Investment Maturities 12 Months or Less	12 to 36 Months	More Than 36 Months	Percent of Total
	Net Asset Value (NAV):					
AAAm	Money Market	$ 522,696	$ 522,696	$ -	$ -	3.48%
	Cost Value:					
N/A	Negotiable Certificates of Deposit	3,421,140	1,201,731	1,365,277	854,132	22.81%
AA+	Federal Farm Credit Bank	778,929	-	373,929	405,000	5.19%
AA+	Federal National Mortgage Association	489,012	-	-	489,012	3.26%
AA+	Federal Home Loan Bank	1,769,006	-	929,006	840,000	11.79%
AA+	Federal Home Loan Mortgage	573,868	-	473,993	99,875	3.83%
A/A+/AA+	Corporate Bonds	540,778	-	540,778	-	3.61%
AA+/AA2	Municipal Bonds	1,502,537	980,677	351,860	170,000	10.02%
AA+	US Treasury Notes	5,282,323	748,896	1,671,707	2,861,720	35.21%
AA+	US Treasury Bond	119,438	-	119,438	-	0.80%
	Total Investments	$ 14,999,727	$ 3,454,000	$ 5,825,988	$ 5,719,739	100.00%

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The County has no investment policy that addresses credit risk beyond the requirements of State statute.

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

NOTE 5 – PERMISSIVE SALES AND USE TAX

A County levied tax of one and one-half percent (1.5%) is applied on the storage, use, or other consumption, in the county, of motor vehicles, and on the storage, use, or other consumption, in the county, of tangible personal property. The County provides for the following breakdown: 75% of the total proceeds are general fund revenue to be appropriated for general operating expenses; 17% of the proceeds are capital projects fund revenue, less $5,617 per month for the repayment of the government center debt, to be appropriated for capital improvements; 0.5% of the proceeds are capital projects fund revenue to be appropriated for vehicle fleet, 2.5% of the proceeds are capital projects fund revenue to be appropriated for the government center, 3% of the proceeds are capital projects fund revenue to be appropriated for infrastructure, 1% of the proceeds are capital projects fund revenue to be appropriated for the justice center and 1% of the proceeds are capital projects fund revenue to be appropriated for recreational purposes. Total permissive sales and use tax (piggyback sales tax) receipts collected in 2021 amounted to $3,391,282.

NOTE 6 – PROPERTY TAXES

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 the 2020 taxes.

2021 real property taxes were 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.

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 statue 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 $14.42 per $1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	$ 488,351,420
Public Utilities Real Property	1,357,470
Public Utilities Personal Property	491,392,640
Total Assessed Value	$ 981,101,530

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

NOTE 7 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, 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 members.

Under the CORSA program for general liability, auto liability, error and omission for public officials, and law enforcement liability, the County has $1,000,000 of total liability coverage for each loss. Each of these areas contains a $2,500 member deductible amount. Property damage is covered for $110,511,303 equipment breakdown coverage is covered for $100,000,000 and crime insurance is covered for $1,000,000 for each occurrence.

In addition, the County maintains replacement cost insurance through CORSA on other property including the following: $2,500,000 for valuable papers and extra expenses, $250,000 for unintentional omissions, $100,000,000 for flood and earthquake damage, and $1,000,000 for debris removal.

Contractor's equipment is insured at replacement cost. Miscellaneous inland marine, and auto physical damage are insured for their actual cash value under CORSA.

The amounts of settlements have not exceeded commercial coverage in any of the past three years. Also, the limits have not been lowered significantly in the past year.

With the exception of workers' compensation, health, dental, vision, and life insurances, all other insurance is held with CORSA. The County pays all elected officials bonds by statute.

For 2021, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 16). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The worker's compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

Health Care Insurance

The County provides medical/surgical insurance benefits to its employees through The Health Plan. The employees share the cost of the monthly premium with the Board of Commissioners. Vision and dental insurance is provided by the County to employees.

Life Insurance

The County provides life insurance of $15,000 to each employee under the age of 65. For employees aged 65 and older, the County provides life insurance at a reduced rate of $7,500 per employee.

The County maintains self-insurance internal service funds to account for and finance its uninsured risks of loss on these programs.

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension liability and the net OPEB liability (asset) represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension 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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). 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 liabilities within 30 years. If the 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The net pension/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 9 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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 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 original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after 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 (CPI), capped at 3 percent.

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

	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 %

* This rate is determined by OPERS' Board and has no maximum rate establishe
** This rate is also determined by OPERS' Board, but is limited by ORC to not m than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $1,351,018 for 2021.

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net Pension Liability:	
Current Measurement Period	0.065708%
Prior Measurement Period	0.063891%
Change in Proportion	0.001817%
Proportionate Share of the Net Pension Liability	$ 9,729,924

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020 are presented below.

Actuarial Information	Traditional Pension Plan
Wage Inflation	3.25 percent
Future Salary Increases, including wage inflation	3.25 percent to 10.75 percent (including wage inflation)
Investment Rate of Return	
Current Measurement Date	7.20 percent
Prior Measurement Date	7.20 percent
Actuarial Cost Method	Individual Entry Age
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 0.50 percent Simple through 2021, then 2.15 percent Simple

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent and the County's proportionate share of the net pension liability if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	$ 18,559,882	$ 9,729,924	$ 2,387,829

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

NOTE 9 - DEFINED BENEFIT OPEB PLANS

See Note 8 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 heath 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 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 public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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 had no contractually required contribution for 2021.

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. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Period	0.062770%
Prior Measurement Period	0.061017%
Change in Proportion	0.001753%
Proportionate Share of the Net OPEB Liability (Asset)	$ (1,118,298)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of 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 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:	
Current Measurement Date	6.00 percent
Prior Measurement Date	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

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. Postretirement 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. Postretirement 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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the total 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 Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent and the County's proportionate share of the net OPEB liability (asset) if it were calculated using a discount rate that is one percent lower (5.00 percent) or one percent higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (278,071)	$ (1,118,298)	$ (1,809,031)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability (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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) 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.

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB (Asset)	$ (1,145,553)	$ (1,118,298)	$ (1,087,804)

Changes between Measurement Date and Report Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 10 - DEBT

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

	Outstanding 12/31/2020	Additions	Reductions	Outstanding 12/31/2021	Amounts Due Within One Year
Governmental Activities:					
Direct Borrowings					
2002 Government Center Bonds	$ 75,073	$ -	$ 59,229	$ 15,844	$ 15,844
2018 Kansas State Bank Equipment Loan	64,746	-	64,746	-	-
	139,819	-	123,975	15,844	15,844
OWDA Loans:					
Storage Yard Cleanup	37,109	-	12,129	24,980	24,980
OPWC Loans:					
Bridge Replacement	2,866	-	1,433	1,433	1,433
Bridge Replacement	3,050	-	1,525	1,525	1,525
Bridge Replacement	3,560	-	1,780	1,780	1,780
Bridge Replacement	1,687	-	844	843	843
Aluminum Box Culvert Replacement	12,320	-	3,080	9,240	6,160
Bridge Engineering	18,885	-	2,361	16,524	4,722
Culvert Replacements	48,525	-	8,088	40,437	16,175
Aluminum Box Culvert Replacement	19,815	-	1,238	18,577	2,476
Aluminum Box Culvert Replacement	77,658	-	9,707	67,951	19,414
Total OPWC Loans	188,366	-	30,056	158,310	54,528
Total Direct Borrowings	365,294	-	166,160	199,134	95,352
Total Governmental Activities	$ 365,294	$ -	$ 166,160	$ 199,134	$ 95,352

	Outstanding 12/31/2020	Additions	Reductions	Outstanding 12/31/2021	Amounts Due Within One Year
Business-Type Activities:					
Direct Borrowings					
OWDA Loans:					
Freeport Sanitary Sewer System	$ 84,364	$ 94,678	$ -	$ 179,042	$ 10,165
Tippcanoe Wastewater Treatment	9,020	-	2,255	6,765	4,510
Waterline Extension	5,574	-	912	4,662	1,844
Water System Expansion	83,990	-	7,354	76,636	14,873
Total OWDA Loans	182,948	94,678	10,521	267,105	31,392
OWPC Loans:					
Moorefield Water System	85,983	-	5,764	80,219	11,527
Total Business-Type Activities	$ 268,931	$ 94,678	$ 16,285	$ 347,324	$ 42,919

Governmental Activities:

Direct Borrowings

Government Center Loan – The proceeds of the outstanding government center loan were used for the renovation and improvement of the new government center building, the human services building, construction of a county garage, and purchase of road equipment. The loan is a direct obligation of the County for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the County.

On March 27, 2002, the County issued a loan in the amount of $800,000. The loan was issued for a 20 year period at a 5.75 percent interest rate.

Equipment Loan – The proceeds of the outstanding equipment loan was used for the purchase of a backhoe. The loan is a direct obligation of the County for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the County.

On September 25, 2018, the County issued a loan in the amount of $87,177. The loan was issued for a 7 year period at a 4.15 percent interest rate. The loan matured during 2021.

Ohio Water Development Authority (OWDA) Loans - In 2003, the County entered into an OWDA loan in the amount of $351,997 for the purpose of cleaning a storage yard of hazardous materials at an interest rate of 3.95 percent.

The loan will be repaid with gasoline tax monies.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the County to pay any fines or penalties incurred with interest.

Ohio Public Works Commission (OPWC) Loans - The County entered into Ohio Public Works Commission loans for various road bridge replacements and culvert replacements projects within the County which will be repaid from the Gasoline Tax Fund. The 2001, 2002, 2003, 2004, and 2008 loans were issued for $223,245, $123,200, $323,502, $482,715 and $49,538, respectively and are interest free. In the event of default, as defined by the debt agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the County treasurer to pay the amounts due from funds appropriated to the county's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

Principal requirements to retire the debt outstanding at December 31, 2021 are as follows:

	Direct Borrowings						
Year Ending	Government Center Loan			OWDA			OPWC
December 31,	Principal	Interest	Total	Principal	Interest	Total	Principal
2022	$ 15,844	$ 125	$ 15,969	$ 24,980	$ 742	$ 25,722	$ 54,528
2023	-	-	-	-	-	-	45,865
2024	-	-	-	-	-	-	34,700
2025	-	-	-	-	-	-	14,544
2026	-	-	-	-	-	-	2,476
2027 - 2029			-			-	6,197
	$ 15,844	$ 125	$ 15,969	$ 24,980	$ 742	$ 25,722	$ 158,310

Business-Type Activities:

Direct Borrowings

Ohio Water Development Authority (OWDA) Loans - In 2003, the County entered into an OWDA loan for the purpose of updating the Tippecanoe wastewater system.

The County entered into an OWDA loan in 2004 for a waterline extension project.

The County entered into an OWDA loan in 2007 for the purpose of water system expanison.

The amounts outstanding as of December 31, 2021 are expected to be repaid from charges for services collected. The County has set water rates sufficient to cover OWDA debt service requirements.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the County to pay any fines or penalties incurred with interest.

In 2020, the County entered into an OWDA loan in the amount of $203,304 for the purpose of upgrade of Freeport sanitary sewer system at an interest rate of 1.92 percent. As of December 31, 2021, $179,042 had been drawn down by the County. There is no amortization schedule available for this loan.

Ohio Public Works Commission (OPWC) Loans – In 2008 the County entered into a loan with OPWC for the improvements at Moorefield water systems. The interest free loan was for $230,548 and will be repaid over a twenty year period.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the County treasurer to pay the amounts due from funds appropriated to the county's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

Principal requirements to retire these direct borrowings outstanding at December 31, 2021 are as follows:

Year Ending	OWDA			OPWC
December 31,	Principal	Interest	Total	Principal
2022	$ 21,227	$ 1,157	$ 22,384	$ 11,527
2023	19,224	905	20,129	11,527
2024	16,270	650	16,920	11,527
2025	15,555	412	15,967	11,527
2026	15,787	178	15,965	11,527
2027-2028	-	-	-	22,584
	$ 88,063	$ 3,302	$ 91,365	$ 80,219

The County has pledged future customer revenues, net of specified operating expenses, to repay $322,697 in OWDA and OPWC loans issued from 2003 to 2008. Proceeds from these loans provided financing for various water and sewer projects. The loans are payable solely from customer net revenues and are payable through 2042. Net revenues include all revenues received by the water utility less all operating expenses. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 12.7 percent. The total principal and interest remaining to be paid on the loans is $171,584. Principal and interest paid for the current year and total net revenues were $16,956 and $133,638, respectively.

NOTE 11 – COMMITMENTS

A. Encumbrances

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

Fund	Amount
General	$ 172
Other Governmental Funds	206,324
Totals	$ 206,496

B. Other Commitments

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

	Contractual Commitment	Expended	Balance 12/31/2021
Governmental-Type Activities:			
Memorial Bridge Project	$ 961,900	$ 624,429	$ 337,471

Contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note. Reasons for this may include timing of when contracts are encumbered and contracts paid from enterprise funds, which are not required to disclose encumbrance commitments.

NOTE 12 – INTERFUND ACTIVITY

A. Interfund Transfers

During 2021 the following transfers were made:

	Transfers Out
Transfers In	General Fund
Nonmajor Governmental Funds	$ 888,502
Nonmajor Enterprise Fund	300,005
Total	$ 1,188,507

Transfers were made from the General Fund to various other funds to provide additional resources for current operations.

B. Interfund Advances

During 2021, the general fund, advanced $130,000 to the job and family services fund. The community corrections grant and probation services grant funds repaid $5,883 and $3,450, respectively to the general fund.

Note 13 – Fund Balances

Fund balance can be 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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	County Board of Developmental Disabilities	Gas Tax	Capital Improvements	Other Governmental Funds	Total
Nonspendable for:						
Unclaimed Monies	$ 165,309	$ -	$ -	$ -	$ -	$ 165,309
Restricted for:						
Debt Service	-	-	-	-	126	126
Capital Outlay	-	-	-	4,410,085	4,590,988	9,001,073
Public Works	-	-	2,742,758	-	95,703	2,838,461
Judicial	-	-	-	-	1,972,801	1,972,801
Health	-	-	-	-	13,700	13,700
Public Safety	-	-	-	-	2,234,020	2,234,020
Human Services	-	4,701,169	-	-	5,039,114	9,740,283
Other Purposes	-	-	-	-	3,854,837	3,854,837
Total Restricted	-	4,701,169	2,742,758	4,410,085	17,801,289	29,655,301
Committed for:						
Capital Outlay	-	-	-	-	1,402	1,402
Assigned for:						
Encumbrances						
Legislative and Executive	172	-	-	-	-	172
Public Safety	210,218	-	-	-	-	210,218
Subsequent Year						
Appropriations	1,294,668	-	-	-	-	1,294,668
Total Assigned	1,505,058	-	-	-	-	1,505,058
Unassigned	5,212,570	-	-	-	(13,260)	5,199,310
Total Fund Balance	$ 6,882,937	$ 4,701,169	$ 2,742,758	$ 4,410,085	$ 17,789,431	$ 36,526,380

Fund balance at December 31, 2021 included individual fund deficits as follows:

	Deficit Fund Balance
Non-Major Funds:	
Probation Services Grant	$ 211
Jobs And Family Services	3,235
State Victims Assististance Grant	9,814
Total	$ 13,260

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

The Belmont, Carroll, Harrison and Jefferson Council of Governments was created to establish the operating and administrative procedures and to direct funding within the Workforce Investment Area as required by the Workforce Investment Act of 1998. The Council of Governments is comprised of four voting members, one designated from each County, each of whom shall be a duly elected County Commissioner, and may include ex-officio members, representatives from the Department of Job and Family Services of the member counties, and the Chairperson of the Workforce Investment Board. The Board exercises total control over the operations of the Council including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund. During 2021, the County made no contributions to the Council.

NOTE 15 – RELATED ORGANIZATIONS

Harrison County Community Improvement Corporation (CIC) – The CIC is a non-profit organization that was created under Ohio Revised Code Section 1724.04. The CIC shall be comprised of Class A and Class B members. Class A members shall be appointed at-large from the community. Class B Members from Harrison County and each political subdivision which agree to have the corporation serve as their designated economic development agent. The Board of Trustees shall be comprised of a total of 14 Class A Trustees, 9 selected from the community at-large and 5 officers (elected or appointed). Each Class B member has the right to appoint a Trustee. Additionally, the Harrison County Commissioners, Auditor, Treasurer and Recorder shall serve as Class B Trustees *ex-officio.* Organizations serving the community at-large may also be invited to provide a Class B Trustee candidate, upon invitation of the Board of Trustees. All Class A and B members are un-paid volunteers. The CIC administers the Harrison County CIC revolving loan fund, established from proceeds of the sale of coal on county owned lands. The RLF is used to make loans to small businesses for the purchase of buildings, machinery and equipment as well as working capital. The County cannot influence the CIC, represent a potential financial benefit for, or burden on, the County.

NOTE 16 – PUBLIC ENTITY RISK POOLS

A. The County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member Counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member Counties are eligible to serve on the Board. No County may have more than one representative on the Board at any time. Each member County's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligations to make coverage payments to CORSA. The participating Counties have no responsibility for the payment of certificates.

The County does not have an equity interest in or a financial responsibility for CORSA. The County's payment for insurance to CORSA in 2021 was $149,662.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the Plan.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuring year by the participants at the meeting held in the month of December each year. No participant can have more than member of the group executive committee in any year and each elected member shall be a County Commissioner.

NOTE 17 – CONTINGENT LIABILITIES

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.

Several claims and/or lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability would not have a material effect on the financial statements.

NOTE 18 – 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

NOTE 19 – SUBSEQUENT EVENT

On September 14, 2022, an agreement was approved between Harrison County Commissioners and Construction Manager PCS & Build, LLC., for the Harrison County Home addition project. The contract sum is guaranteed by the Construction Manager not to exceed $3,244,770.

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HARRISON COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Job and Family Services			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5937	$ 173,667
Total U.S. Department of Agriculture / SNAP Cluster			173,667
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through the Ohio Development Services Agency			
State Community Development Block Grants-CDBG Allocation Grant	14.228	B-F-19-1BE-1	84,346
		B-C-19-1BE-1	64,087
Total State Community Development Block Grants - CDBG and CHIP			148,433
Home Investment Partnerships Program	14.239	B-C-19-1BE-2	100,248
Total U.S. Department of Housing and Urban Development			248,681
U.S. DEPARTMENT OF JUSTICE			
Passed Through the Ohio Attorney General's Office - Crime Victim Section			
Crime Victim Assistance	16.575	2021-VOCA-134149294	25,449
		2022-VOCA-134717276	9,005
Total U.S. Department of Justice			34,454
U.S. DEPARTMENT OF LABOR			
Passed Through Workforce Investment / Innovation and Opportunity Act Area 16			
Workforce Innovation and Opportunity (WIOA) Cluster:			
WIA/ WIOA - Adult Program	17.258	N/A	49,004
WIA/WIOA Youth Activities	17.259	N/A	137,837
WIA/ WIOA Dislocated Worker Formula Grants	17.278	N/A	61,956
Total WIOA Cluster			248,797
Workforce Investment Act (WIA) National Emergency Grants	17.277	N/A	3,269
Total U.S. Department of Labor			252,066
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Ohio Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID 109304	286,493
		PID 106674	611,637
Total Highway Planning and Construction Cluster			898,130
COVID-19 Formula Grants for Rural Areas	20.509	CARE-4104-024-211	164,126
		CARE-4104-024-212	139,176
		CARE-4104-024-213	45,000
Formula Grants for Rural Areas	20.509	RPTF-4104-005-201	70,856
		RPTM-0104-005-201	11,944
Total Formula Grants for Rural Areas			431,102
National Infrastructure Investments	20.933	TTGR-0104-036-201	36,720
Total U.S. Department of Transportation			1,365,952
U.S. DEPARTMENT OF TREASURY			
Direct Programs			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,640
Total U.S. Department of Treasury			2,640
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education			
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027A	FY21	5,324
Special Education-Preschool Grants (IDEA Preschool)	84.173A	FY21	4,850
Total Special Education Cluster (IDEA):			10,174
Total U.S. Department of Education			10,174

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass-Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through the Ohio Department of Job and Family Services			
Temporary Assistance for Needy Families (TANF) State Programs:	93.558	G-2021-11-5937	$ 927,164
CCDF Cluster:			
Child Care and Development Block Grant	93.575	G-2021-11-5937	28,306
Total CCDF Cluster			28,306
Social Services Block Grant	93.667	G-2021-11-5937	179,848
Medicaid Cluster:			
Medical Assistance Program	93.778	G-2021-11-5937	367,236
Total Medicaid Cluster			367,236
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5937	101
Promoting Safe and Stable Families	93.556	G-2021-11-5937	1,921
Foster Care-Title IV-E	93.658	G-2021-11-5937	81,706
Adoption Assistance	93.659	G-2021-11-5937	106,765
Child Support Enforcement	93.563	G-2021-11-5937	450,732
Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5937	2,848
Passed Through Ohio Department of Developmental Disabilities			
Social Services Block Grant	93.667	2101OHSOSR	14,955
Total U.S. Department of Health and Human Services			2,161,582
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the Ohio Department of Public Safety - Emergency Management Agency			
Emergency Management Performance Grants	97.042	EMPG-2020-214	13,796
		EMPG-2020-188	12,303
		EMPG-2020-236	1,339
		EMPG-2019-276	6,478
		EMPG-2020-281	643
COVID-19 Emergency Management Performance Grants	97.042	EMPG-S-2020-035	2,890
Total U.S. Department of Homeland Security			37,449
Total Expenditures of Federal Awards			$ 4,286,665

The accompanying notes are an integral part of this schedule.

HARRISON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Harrison County (the County's) 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, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

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

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

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harrison County, Ohio (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 February 6, 2023, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted during 2021, the County has elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards*. In addition, the County adopted new accounting guidance in Governmental Accounting Standards Board Statement 84, Fiduciary Activities.

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 opinion 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 County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-004 that we consider to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2021-001 through 2021-003.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Keith Faber
Auditor of State
Columbus, Ohio

February 6, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harrison County's, Ohio (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Harrison County's major federal programs for the year ended December 31, 2021. Harrison County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Harrison 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

The County's 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings as item 2021-005. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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**.** We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2021-005, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 6, 2023

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HARRISON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • AL #20.205 Highway Planning and Construction Cluster • AL #93.558 Temporary Assistance for Needy Families (TANF) State Programs	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2021-001

Noncompliance

Ohio Rev. Code §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.

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

FINDING NUMBER 2021-001
(Continued)

Noncompliance – Ohio Rev. Code § 117.38 (Continued)

Ohio Admin. Code 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County. To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response: See Corrective Action Plan on page 69.

FINDING NUMBER 2021-002

Noncompliance

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The County inappropriately recorded $91,769 in Ohio Water Development Authority loan proceeds and $2,909 in capitalized interest to the Capital Improvements (N01) Fund. Given the source of the revenues, these should have been recorded in the County Water & Sewer Projects (U46) Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The County should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response: See Corrective Action Plan on page 69.

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

FINDING NUMBER 2021-003

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2021, the County's appropriations exceeded the amount certified as available by the budget commission in the CHIP (N05), County Water District (U41) and Sheriff Levy (X00) Funds by $71,465, $222,173, and $348,334, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the County’s compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The County should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the County should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Commissioners to reduce the appropriations.

Officials’ Response: See Corrective Action Plan on page 69.

FINDING NUMBER 2021-004

Material Weakness

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

The County should maintain an accounting system and accounting records sufficient to enable the County to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The County did not always record receipts and disbursements into accurate classifications on the financial statements.

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

FINDING NUMBER 2021-004
(Continued)

Material Weakness (Continued)

The following material errors were noted:

- Harrison County Public Transit contract and intergovernmental revenues netting $230,194 were improperly classified as Charges for Services, rather than Intergovernmental in the Harrison County Public Transit (B55) Fund.
- Freeport sewer customer payments in the amount of $31,769 were improperly classified as Capital Grants and Contributions, rather than Charges for Services in the County Water & Sewer Projects (U46) Fund.
- USA Corps of Engineers grant in the amount of $216,148 was improperly classified as Operating Grants, Contributions and Interest, rather than Capital Grants and Contributions in the County Water & Sewer Projects (U46) Fund.
- Transit receipts totaling $99,756 were improperly classified as Other, rather than Charges for Services in the Harrison County Public Transit (B55) Fund.
- Interest earned on the County's investments totaling $93,241 were improperly classified as Miscellaneous, rather than Investment Income in the General (A00) Fund.
- State funding received by the Harrison County Board of Developmental Disabilities totaling $120,642 was improperly classified as Miscellaneous, rather than Intergovernmental in the County Board of Developmental Disabilities (B50) Fund.
- Receipts totaling $338,257 in the Gas Tax (K00) Fund were improperly classified as Miscellaneous, rather than Charges for Services.
- County Auditor property tax collections totaling $13,075,602 were improperly classified as Intergovernmental, rather than Property Tax Collections for Other Governments in the General Real Property Tax (G56) Fund.
- County Board of Developmental Disabilities (B50) Fund workshop roof replacement expenditures totaling $454,978 were improperly classified as Health, rather than Capital Outlay.
- A portion of various non-payroll expenditures totaling $776,218 were improperly classified as Public Works, rather than Capital Outlay in the County's Gas Tax (K00) Fund.
- Ohio Public Works Commission (OPWC) on-behalf-of receipts and payments totaling $936,653 were improperly double posted to the County's Issue II (G70) Fund.
- County Auditor property tax distributions totaling $13,123,736 were improperly classified as Distribution of State Funds to Other Governments, rather than Property Tax Distributions to Other Governments and Other Distributions in the General Real Property Tax (G56) Fund in the amounts of $12,856,741 and $266,995, respectively.

The adjustments noted above, with which management agrees, have been made and are reflected in the accompanying financial statements and budgetary statements, if applicable.

In addition to the adjustments listed above, we also identified additional misstatements ranging from $9,994 to $121,191 that we have brought to the County’s attention.

The County did not have a process in place to ensure transactions are accurately reported on the financial statements.

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

FINDING NUMBER 2021-004 (Continued)

Material Weakness (Continued)

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the County's financial position and operations.

The County should take the necessary steps to ensure that all receipts and expenditures are properly presented and disclosed in the County's financial statements.

Officials' Response: See Corrective Action Plan on page 69.

3. FINDINGS FOR FEDERAL AWARDS

1. Ohio Admin. Code § 5101:9-7-20(E)(3) & (F)(3)

Finding Number:	2021-005
Assistance Listing Number and Title:	CFDA #93.558 – Temporary Assistance for Needy Families (TANF) State Programs
Federal Award Identification Number / Year:	G-2021-11-5937
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

Noncompliance and Significant Deficiency

Ohio Admin. Code § 5101:9-7-20(E)(3) requires an employee receiving an observation moment to respond within forty-eight hours, not including weekends or holidays. In addition, Ohio Admin. Code § 5101:9-7-20(F)(3) requires that in accordance with federally accepted time lines, the Random Moment Sampling (RMS) coordinator shall review and approve by accepting all observation moment responses within seventy-two hours.

During 2021, one instance was noted where neither the employee or RMS Coordinator for the social services cost pool of the County's Department of Job and Family Services responded to a RMS observation moment within the required time frames.

The County's Department of Job and Family Service should develop procedures to ensure that employees and the RMS Coordinator respond to all RMS moments for the County within forty-eight and seventy-two hours, respectively, after the observation moment.

Officials' Response: See Corrective Action Plan on page 69.

Allison M. Anderson

Harrison County Auditor
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2- 03(B) noncompliance for not preparing financial statements in accordance with generally accepted accounting principles.	Partially Corrected.	County reported on OCBOA cash basis for 2021, and is still researching further reporting methods.
2020-002	Ohio Rev. Code § 5705.10(D) noncompliance for revenues recorded in the improper funds.	Not Corrected.	Looking into policies and procedures to help correct this error.
2020-003	GASB Statement No. 84, *Fiduciary Activities*, was not implemented as required.	Corrected.	
2020-004	Material Weakness for significant errors in recording receipts and disbursements into accurate funds/line items on the financial statements	Not Corrected.	New procedures in place to help with accurate recording and placement.
2020-005	Significant Deficiency for numerous errors resulting from a lack of internal controls relating to Public Transit operations.	Corrected.	
2020-006	Significant Deficiency for multiple errors pertaining to interfund transfers and advances.	Corrected.	
2020-007	Material Weakness for failure to accurately post estimated receipts to the accounting system.	Corrected.	
2020-008	Material Weakness for failing to retain approved PRC applications for PRC benefits paid from federal funding.	Corrected.	

Allison M. Anderson

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

Finding Number:	2021-001
Planned Corrective Action:	Working to file statements in accordance.
Anticipated Completion Date:	December 31, 2022
Responsible Contact Person:	Allison Anderson
Finding Number:	2021-002
Planned Corrective Action:	New procedures are in place to correct.
Anticipated Completion Date:	December 31, 2022
Responsible Contact Person:	Misty Bailie
Finding Number:	2021-003
Planned Corrective Action:	New procedures are in place to prevent the exceeded amounts.
Anticipated Completion Date:	December 31, 2022
Responsible Contact Person:	Allison Anderson
Finding Number:	2021-004
Planned Corrective Action:	Establishing controls to correct the classifications
Anticipated Completion Date:	December 31, 2022
Responsible Contact Person:	Allison Anderson
Finding Number:	2021-005
Planned Corrective Action:	Policies are being established to ensure proper timelines are met.
Anticipated Completion Date:	December 31, 2022
Responsible Contact Person:	Deb Knight

OHIO AUDITOR OF STATE
KEITH FABER

HARRISON 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 2/21/2023

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Phone: 614-466-4514 or 800-282-0370