OHIO AUDITOR OF STATE
KEITH FABER

MONROE COUNTY
DECEMBER 31, 2020

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MONROE COUNTY
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INDEPENDENT AUDITOR'S REPORT

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 24 to the financial statements, during 2020, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Also, as discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2021

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Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of Monroe County's (the County) financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the County's basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The County's total net position increased by $5,604,798 from the total net position at the beginning of the year 2020.
- At the close of the current year, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by $66,271,103 (net position). Of this amount, ($16,212,727) is unrestricted and that, when positive, may be used to meet the County's ongoing obligations to citizens and creditors.
- The County had $34,859,758 in expenses related to governmental activities; program specific charges for services, grants, contributions, and interest were not sufficient to provide for these expenses and as a result, general revenues of $17,173,635 were needed to help increase carryover net position into the next year.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of $23,458,036, a decrease of $2,829,645 from the prior year. Of this amount, $884,778 is non-spendable, $18,803,452 is restricted, $954 is committed, $2,209,972 is assigned, and $1,558,880 is unassigned and available for spending on behalf of its citizens, as defined in Governmental Accounting Standards Board Statement (GASB) No. 54.
- At the end of the current year, unassigned fund balance for the General Fund was $1,604,771 which represents 16 percent of total General Fund expenditures.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements then proceed to provide an increased detailed look at specific financial conditions. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets.

Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds in more detail than the government-wide statements. Nonmajor funds are presented separately from major funds in total and in one column.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question.

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these reported as net position. The Statement of Activities presents information showing how the County's net position changed during the current year.

These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities:

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sole business-type activity is the Care Center. The County discontinued Care Center operations in 2020.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to its residents. The County's major governmental funds are the General Fund and the Maintenance, Developmental Disabilities, and Federal Emergency Management Agency (FEMA) Special Revenue Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

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

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

Proprietary Funds - The County maintains one proprietary fund, the Care Center Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided on the government-wide and fund financial statements.

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Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2020 compared to 2019:

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
Assets						
Current & Other Assets	$ 37,638,006	$ 38,347,697	$ (709,691)	$ 439,374	$ (7,223,737)	$ 7,663,111
Net Pension/OPEB Asset	26,279	76,200	(49,921)	-	10,722	(10,722)
Capital Assets, Net	76,490,539	74,963,205	1,527,334	-	2,253,822	(2,253,822)
Total Assets	114,154,824	113,387,102	767,722	439,374	(4,959,193)	5,398,567
Deferred Outflows of Resources						
Pension & OPEB	4,229,379	7,506,255	(3,276,876)	-	1,549,339	(1,549,339)
Total Deferred Outflows of Resources	4,229,379	7,506,255	(3,276,876)	-	1,549,339	(1,549,339)
Liabilities						
Current & Other Liabilities	2,125,037	1,385,506	739,531	4,870	205,711	(200,841)
Long-Term Liabilities:						
Due Within One Year	479,421	629,844	(150,423)	120,000	201,484	(81,484)
Due In More Than One Year:						
Net Pension Liability	12,693,491	17,151,284	(4,457,793)	-	3,447,690	(3,447,690)
Net OPEB Liability	8,206,373	7,681,133	525,240	-	1,573,244	(1,573,244)
Other Amounts	16,138,165	16,039,141	99,024	943,864	1,066,927	(123,063)
Total Liabilities	39,642,487	42,886,908	(3,244,421)	1,068,734	6,495,056	(5,426,322)
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	8,024,558	7,987,337	37,221	-	-	-
Pension	2,618,124	278,574	2,339,550	-	65,908	(65,908)
OPEB	1,198,571	49,701	1,148,870	-	4,269	(4,269)
Total Deferred Inflows of Resources	11,841,253	8,315,612	3,525,641	-	70,177	(70,177)
Net Investment in Capital Assets	60,615,600	58,914,126	1,701,474	-	1,111,365	(1,111,365)
Restricted	21,868,230	16,964,256	4,903,974	-	-	-
Unrestricted	(15,583,367)	(6,187,545)	(9,395,822)	(629,360)	(11,086,452)	10,457,092
Total Net Position	$ 66,900,463	$ 69,690,837	$ (2,790,374)	$ (629,360)	$ (9,975,087)	$ 9,345,727

Governmental Activities 2019 balances were restated for implementation of GASB 84, however, the above amounts were not updated to reflect this change.

The net pension liability (NPL) is the largest liability reported by the County at December 31, 2020 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27". The County has also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting the net pension/OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and

GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $66,271,103 ($66,900,463 in governmental activities and ($629,360) in business-type activities) as of December 31, 2020.

Governmental Activities

By far, the largest portion of the County's net position, $60,615,600, or 91 percent, reflects its investment in capital assets (e.g., land, land improvements, infrastructure, buildings and improvements, and vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. This category of net position increased by $1,701,474 from the prior year.

The next largest portion of the County's net position, $21,868,230, or 32 percent, represents resources that are subject to restrictions on how they can be used. This category of net position increased by $4,903,974.

The balance of unrestricted net position is ($15,583,367) or (23) percent. In cases where this number is positive, this amount can be used to meet the County's ongoing obligations to citizens and creditors. Unrestricted net position decreased from the prior year in the amount of $9,395,822.

The significant decrease in deferred outflows of resources and increase in deferred inflows of resources are both largely due to the reported pension and OPEB amounts pursuant to GASB Statement Numbers 68 and 75.

Current and other liabilities increased in the amount of $739,531. The largest reason for the increase is due to the County fixing several slip repairs from FEMA funds. Long-term liabilities, other than the net pension/OPEB liabilities, decreased minimally. Even with the issuance of OPWC and Municipal Lease loans, the County has continued to make required debt service payments.

Total liabilities also decreased considerably in net pension and increased in OPEB liabilities. These liabilities represent the County's proportionate share of the OPERS traditional plan's and STRS plan's unfunded benefits. Different factors, including changes in pension benefits, contribution rates, and return on investments affect the balance of the total pension/OPEB liability.

Business-Type Activities

All assets, deferred outflows of resources, liabilities and deferred inflows of resources decreased significantly in comparison with the prior year-end. These decreases are the result of the County discontinuing Care Center operations in 2020.

Table 2 shows the changes in net position for 2020, compared to the changes in net position for 2019:

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
Revenues						
Program Revenues						
Charges for Services	$ 3,332,393	$ 4,554,526	$ (1,222,133)	$ 379,168	$ 2,552,210	$ (2,173,042)
Operating Grants	16,530,308	15,252,976	1,277,332	10,662	-	10,662
Capital Grants	1,791,582	7,581,661	(5,790,079)	-	-	-
Total Program Revenues	21,654,283	27,389,163	(5,734,880)	389,830	2,552,210	(2,162,380)
General Revenues						
Property Taxes	9,610,424	6,654,264	2,956,160	-	-	-
Sales Taxes Levied for General Purposes	3,641,132	4,859,920	(1,218,788)	-	-	-
Grants and Entitlements not Restricted to Specific Programs	928,049	608,866	319,183	-	-	-
Lease Royalty Revenue	-	8,686	(8,686)	-	-	-
Special Item (See Note 26)	-		-	1,666,201		1,666,201
Miscellaneous	2,994,030	3,586,167	(592,137)	71,314	2,119	69,195
Total General Revenues	17,173,635	15,717,903	1,455,732	1,737,515	2,119	1,735,396
Total Revenues	38,827,918	43,107,066	(4,279,148)	2,127,345	2,554,329	(426,984)
Program Expenses						
General Government						
Legislative and Executive	4,289,248	8,306,725	(4,017,477)	-	-	-
Judicial	1,891,552	1,872,494	19,058	-	-	-
Public Safety	8,351,924	8,249,872	102,052	-	-	-
Public Works	10,848,663	10,547,261	301,402	-	-	-
Health	3,009,041	3,718,310	(709,269)	-	-	-
Human Services	5,497,642	4,502,963	994,679	-	-	-
Economic Development	567,295	981,691	(414,396)	-	-	-
Debt Service:						
Interest and Fiscal Charges	404,393	391,892	12,501	-	-	-
Enterprise Operations:						
Care Center	-	-	-	490,707	4,512,464	(4,021,757)
Total Expenses	34,859,758	38,571,208	(3,711,450)	490,707	4,512,464	(4,021,757)
Transfers	(7,709,089)	-	(7,709,089)	7,709,089	-	7,709,089
Total General Revenues, Special Item, and Transfers	9,464,546	15,717,903	(6,253,357)	9,446,604	2,119	9,444,485
Change in Net Position	(3,740,929)	4,535,858	(8,276,787)	9,345,727	(1,958,135)	11,303,862
Net Position Beginning of Year (Restated)	70,641,392	65,154,979	5,486,413	(9,975,087)	(8,016,952)	(1,958,135)
Net Position End of Year	$ 66,900,463	$ 69,690,837	$ (2,790,374)	$ (629,360)	$ (9,975,087)	$ 9,345,727

Governmental Activities

Total revenues of governmental activities decreased by $4,279,148 during 2020. The County's direct charges to users of governmental services made up $3,332,393 or 9 percent of total governmental revenues. These charges are for fees for real estate transfers, deed and lease recordings, rent, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits and housing of prisoners from other governments. Operating grants, contributions, and restricted interest increased $1,277,332 and represents 43 percent of total revenues for governmental activities. The County maintained its participation in various federal and state grants; however part of this increase is the result of the County being in the first year of multi-year grants and the receivable, along with the associated revenue, has increased. Grant revenues from the Federal Emergency Management Agency are largest source of operating grants and represent reimbursements relating to various road and bridge maintenance and repairs during 2020. Capital grants and contributions decreased $5,790,079. This revenue is mostly attributable to capital contributions of infrastructure from the oil and gas industry and as such the public works program showed net revenue for 2020 and did not need to rely on the general revenues of the County to cover expenses.

Property tax revenues are the County's largest own source revenue and account for 25 percent of total revenues. For 2020, the County added two additional levy's, which contributed to the increase in property taxes. The County incurred a large property tax value increase mainly due to the addition of the Rover Pipeline and expansions to additional existing pipelines. This general revenue showed a fluctuation from the prior year with an increase of $2,956,160. As mentioned earlier, the County's tax valuations have increased from the prior year. Permissive sales tax revenues account for $3,641,132 or 9 percent of total governmental revenues and are directly reflective of the economy and taxable sales within the County, due to the Covid-19 pandemic, sales taxes were significantly impacted.

The County's largest expense program during 2020 was public works. With expenses of $10,848,663, this program had an increase of $301,402 of the prior year amount. Operating expenditures in the Maintenance Special Revenue Fund produced this difference as an increased amount of noncapitalized maintenance expenditures on various roads and bridges were necessary during 2020. One of the largest changes from prior year occurred in the legislative and executive program with a decrease of $4,017,477 or 48 percent, which was primarily due to pension/ OPEB related expenses. Another major program expense for governmental activities is public safety which accounted for $8,351,924 which reflects a 1 percent increase from the prior year. Now in operation, the new constructed jail started depreciating during 2020. Other major program expenses include health which accounted for $3,009,041, and human services which accounted for $5,497,642.

Business-Type Activities

The decreases for business-type activities was due to the discontinuation of the Care Center early in the year. Though the Care Center was disposed there were still outstanding receivables and payables. Due to the continuous lack of sufficient operating revenue, the Care Center has had to rely upon the County's general government to provide advances to meet day to day needs. The Care Center had outstanding accumulated advances totaling $7,709,089 that the Board had approved to convert the outstanding advance to a transfer, as the County would not be expecting payment due to the sale and discontinuation of the Care Center.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2020, as compared to 2019. The Statement of Activities reflects the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and unrestricted interest earnings.

Table 3
Governmental Activities

	Total Cost of Services 2020	Net Cost (Revenue) of Services 2020	Total Cost of Services 2019	Net Cost (Revenue) of Services 2019
General Government				
Legislative and Executive	$4,289,248	$1,439,597	$8,306,725	$6,348,050
Judicial	1,891,552	1,290,200	1,872,494	1,128,503
Public Safety	8,351,924	7,116,845	8,249,872	5,912,355
Public Works	10,848,663	(1,623,306)	10,547,261	(6,128,699)
Health	3,009,041	2,540,225	3,718,310	2,708,059
Human Services	5,497,642	1,479,135	4,502,963	943,043
Economic Development	567,295	558,386	981,691	(121,158)
Interest and Fiscal Charges	404,393	404,393	391,892	391,892
Total Expenses	$34,859,758	$13,205,475	$38,571,208	$11,182,045

Program revenues, consisting of charges for services and operating and capital grants and contributions, of $21,654,283 were received and used to fund the governmental activities expenses of the County for 2020. The remaining governmental expenses in the amount of $13,205,475 are funded by property and permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues. The net cost of $2,729,797 in the legislative and executive and judicial programs represent activities related to the governing body as well as activities that directly support other County programs that serve the County's residents. As a result, these programs rely on the general revenues of the County to support their activities. During 2020, public safety net cost of services of $7,116,845 indicates that the permissive sales tax and property tax levies are necessary for the operation of the sheriff's department and other public safety activity due to insufficient program revenues for these operations. The $2,540,225 in net cost of services for health programs demonstrates the amount of the costs of services that were not supported from state and federal resources during 2020. As such, the taxpayers have approved property tax levies for the developmental disabilities program. The net revenue in the public works program in the amount of $1,623,306 is primarily the result of capital donations recognized by the engineer's office for on-behalf work done on infrastructure throughout the County.

Financial Analysis of County Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Governmental Accounting Standards Board (GASB) Statement No. 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of resources reported in governmental funds. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2020, the County's governmental funds reported a combined ending balance of $23,458,036, a decrease of $2,829,645 from the prior year. Of this amount, $884,778 is non-spendable, $18,803,452 is restricted, $954 is committed, $2,209,972 is assigned, and $1,558,880 is unassigned and available for spending on behalf of its citizens, as defined in Governmental Accounting Standards Board Statement (GASB) No. 54.

The General Fund is the primary operating fund of the County. At the end of 2020, unassigned fund balance was $1,604,771, while total fund balance was $4,135,916. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16 percent to total General Fund expenditures, while total fund balance represents 40 percent of that same amount. The fund balance decreased from 2019 by $6,796,889. This 62 percent decrease is a result of the County discontinuing Care Center operations and forgiving all outstanding advances to the Care Center Fund.

The fund balance of the Maintenance Special Revenue Fund at December 31, 2020 was $6,245,722, a decrease of $509,453 from the previous year. This 8 percent change is a direct result of decreased revenues from state shared funding and also reimbursements from the oil and gas industry related to infrastructure maintenance.

At the end of 2020, the Developmental Disabilities Special Revenue Fund had an ending fund balance of $5,520,897, an increase of 44 percent from the prior year. Property taxes revenues have increased as the County's tax base has increased. In addition, this fund has been able to add to the carryover cash balance as it has successfully controlled expenditures below fixed revenues.

The FEMA Special Revenue Fund once again is a major fund during 2020 as the County was awarded federal and state monies for approved disaster relief efforts. This fund recorded receivables and payables according to generally accepted accounting principles. Most of the funding is reimbursed to the County after it is spent which results in a minimal carryover balance into the next year.

Proprietary Funds - The County maintains one proprietary fund, the Care Center Enterprise Fund. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. As of December 31, 2020, net position for the County's enterprise fund was ($629,360). The increase in net position and overall changes from the prior year, is due to the discontinuation of the Care Center early in the year.

General Fund Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. By State statute, the Board of County Commissioners adopts a temporary operating budget for the County prior to the first day of January.

The Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

During the course of 2020, the County amended its General Fund estimated revenues and appropriations, and the budgetary statements reflect both the original and final budgeted amounts. The change from the original to the final estimate for ending fund balance was a negative difference of $670,941 due to the budgeting of advances, increased appropriations for health programs and transfers out. For the General Fund, actual revenues were $389,982 lower than final budgeted amounts due mostly to liberal estimates for sales tax and investment income revenues. Ending fund balance was $1,992,331 higher than final estimates of $361,677 due to higher expenditure estimates in all programs, including transfers out.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2020, were $76,490,539 (net of accumulated depreciation). This includes land, land improvements, infrastructure, buildings and improvements, and vehicles and equipment. Table 4 provides a comparison of capital assets as of the end of 2019 and 2020. In addition, Note 9 (Capital Assets) provides capital asset activity during 2020:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 17,929,770	$ 17,334,209	$ -	$ -	$ 17,929,770	$ 17,334,209
Infrastructure	37,713,420	36,728,496	-	-	37,713,420	36,728,496
Land Improvements	57,884	52,704	-	-	57,884	52,704
Buildings and Improvements	16,636,235	16,912,122	-	2,231,211	16,636,235	19,143,333
Vehicles and Equipment	4,153,230	3,935,674	-	22,611	4,153,230	3,958,285
Total	$ 76,490,539	$ 74,963,205	$ -	$ 2,253,822	$ 76,490,539	$ 77,217,027

Long-Term Debt - As of December 31, 2020, the County had total debt outstanding of $16,938,803; $15,874,939 in governmental activities and $1,063,864 in business-type activities. Table 5 outlines the long-term debt held by the County during 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	$ 15,296,618	$ 15,361,428	$ 1,063,864	$ 1,181,927	$ 16,360,482	$ 16,543,355
OPWC Loans	578,321	343,475	-	-	578,321	343,475
E-Squad Municipal Lease Loan	-	292,100	-	-	-	292,100
Capital Leases	-	52,076	-	-	-	52,076
Total	$ 15,874,939	$ 16,049,079	$ 1,063,864	$ 1,181,927	$ 16,938,803	$ 17,231,006

In addition to the above debt, the County's long-term obligations include compensated absences and net pension/OPEB liability. Additional information on the County's long-term debt can be found in Note 15 of this report. The County's total unvoted legal debt margin at December 31, 2020, was $31,405,073.

Moody's Investor Service, Inc., has assigned a rating of MIG 2 to the outstanding County Jail Facilities Notes that were issued during 2016.

Economic Factors

The County is currently stable financially with the help of the recent increase in the oil and gas industry. Department heads are continuing to remain within their appropriated budgets for the year.

The various economic factors were considered in the preparation of the County's 2020 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Denise Stoneking, Monroe County Auditor, 101 North Main Street, Room 22, Woodsfield, Ohio 43793.

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Monroe County, Ohio
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 21,516,612	$ 452,044	$ 21,968,656
Cash and Cash Equivalents in Segregated Accounts	75,209	-	75,209
Cash and Cash Equivalents with Fiscal Agents	309,382	-	309,382
Property Taxes Receivable	8,906,234	-	8,906,234
Accrued Interest Receivable	32,177	-	32,177
Accounts Receivable	55,735	21,402	77,137
Intergovernmental Receivable	5,128,216	620	5,128,836
Sales Taxes Receivable	750,246	-	750,246
Internal Balances	36,853	(36,853)	-
Prepaid Items	119,151	2,161	121,312
Materials and Supplies Inventory	708,191	-	708,191
Net OPEB Asset	26,279	-	26,279
Non-Depreciable Capital Assets	17,929,770	-	17,929,770
Depreciable Capital Assets, Net	58,560,769	-	58,560,769
Total Assets	114,154,824	439,374	114,594,198
Deferred Outflows of Resources			
Pension	2,558,527	-	2,558,527
OPEB	1,670,852	-	1,670,852
Total Deferred Outflows of Resources	4,229,379	-	4,229,379
Liabilities			
Accounts Payable	822,530	-	822,530
Accrued Wages and Benefits	308,558	-	308,558
Contracts Payable	327,110	-	327,110
Intergovernmental Payable	190,991	-	190,991
Accrued Interest Payable	149,481	4,870	154,351
Matured Compensated Absences Payable	2,290	-	2,290
Unearned Revenue	324,077	-	324,077
Long-Term Liabilities:			
Due Within One Year	479,421	120,000	599,421
Due In More Than One Year:			
Net Pension Liability	12,693,491	-	12,693,491
Net OPEB Liability	8,206,373	-	8,206,373
Other Amounts Due in More Than One Year	16,138,165	943,864	17,082,029
Total Liabilities	39,642,487	1,068,734	40,711,221
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	8,024,558	-	8,024,558
Pension	2,618,124	-	2,618,124
OPEB	1,198,571	-	1,198,571
Total Deferred Inflows of Resources	11,841,253	-	11,841,253
Net Position			
Net Investment in Capital Assets	60,615,600	-	60,615,600
Restricted for:			
Capital Projects	307,265	-	307,265
Road and Bridge Maintenance	8,734,688	-	8,734,688
Developmental Disabilities	5,865,271	-	5,865,271
Court Operations	857,057	-	857,057
Health	917,666	-	917,666
Public Safety	915,896	-	915,896
Human Services	1,863,267	-	1,863,267
Real Estate Assessment	1,015,803	-	1,015,803
OSU Projects	897,130	-	897,130
Other Purposes	494,187	-	494,187
Unrestricted	(15,583,367)	(629,360)	(16,212,727)
Total Net Position	$ 66,900,463	$ (629,360)	$ 66,271,103

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Statement of Activities
For the Year Ended December 31, 2020

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government				
Legislative and Executive	$ 4,289,248	$ 2,421,147	$ 428,504	$ -
Judicial	1,891,552	183,391	417,961	-
Public Safety	8,351,924	112,861	1,121,244	974
Public Works	10,848,663	92,508	10,588,853	1,790,608
Health	3,009,041	119,300	349,516	-
Human Services	5,497,642	394,312	3,624,195	-
Economic Development	567,295	8,874	35	-
Interest and Fiscal Charges	404,393	-	-	-
Total Governmental Activities	34,859,758	3,332,393	16,530,308	1,791,582
Business-Type Activities				
Care Center	490,707	379,168	10,662	-
Total Business-Type Activities	490,707	379,168	10,662	-
Total	$ 35,350,465	$ 3,711,561	$ 16,540,970	$ 1,791,582

General Revenues
Property Taxes Levied for:
General Purposes
Health
Human Services
OSU Extension Levy
Sales Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Other Local Taxes
Investment Earnings
Miscellaneous
Total General Revenues

Special Item *(See Note 26)*
Transfers

Total General Revenues, Special Item, and Transfers

Change in Net Position

Net Position Beginning of Year (Restated)

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,439,597)	$ -	$ (1,439,597)
(1,290,200)		(1,290,200)
(7,116,845)		(7,116,845)
1,623,306		1,623,306
(2,540,225)		(2,540,225)
(1,479,135)		(1,479,135)
(558,386)		(558,386)
(404,393)		(404,393)
(13,205,475)		(13,205,475)
-	(100,877)	(100,877)
-	(100,877)	(100,877)
(13,205,475)	(100,877)	(13,306,352)
4,238,934	-	4,238,934
4,314,521	-	4,314,521
168,171	-	168,171
888,798	-	888,798
3,641,132	-	3,641,132
928,049	-	928,049
72,807	-	72,807
416,129	-	416,129
2,505,094	71,314	2,576,408
17,173,635	71,314	17,244,949
-	1,666,201	1,666,201
(7,709,089)	7,709,089	-
9,464,546	9,446,604	18,911,150
(3,740,929)	9,345,727	5,604,798
70,641,392	(9,975,087)	60,666,305
$ 66,900,463	$ (629,360)	$ 66,271,103

Monroe County, Ohio
Balance Sheet
Governmental Funds
December 31, 2020

	General	Maintenance	Developmental Disabilities	FEMA	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 3,065,325	$ 5,098,083	$ 5,236,985	$ 1,119,260	$ 6,940,859	$ 21,460,512
Cash and Cash Equivalents in Segregated Accounts	18,987	-	-	-	56,222	75,209
Cash and Cash Equivalents with Fiscal Agents	-	-	309,382	-	-	309,382
Property Taxes Receivable	4,072,574	-	2,567,137	-	2,266,523	8,906,234
Interfund Receivable	-	75,057	-	-	-	75,057
Due from Other Funds	106,790	-	-	-	72,299	179,089
Accrued Interest Receivable	32,177	-	-	-	-	32,177
Accounts Receivable	25,690	2,080	-	-	27,965	55,735
Intergovernmental Receivable	1,000,120	2,180,309	121,325	1,101,256	725,206	5,128,216
Sales Taxes Receivable	750,246	-	-	-	-	750,246
Prepaid Items	58,780	13,343	5,684	-	41,344	119,151
Materials and Supplies Inventory	230,084	473,182	2,425	-	2,500	708,191
Restricted Cash and Cash Equivalents	30,020	-	-	-	26,081	56,101
Total Assets	$ 9,390,793	$ 7,842,054	$ 8,242,938	$ 2,220,516	$ 10,158,999	$ 37,855,300
Liabilities						
Accounts Payable	$ 44,074	$ 32,906	$ 18,424	$ 625,310	$ 101,816	$ 822,530
Accrued Wages and Benefits	149,489	78,404	26,345	-	54,320	308,558
Contracts Payable	-	-	-	327,110	-	327,110
Intergovernmental Payable	93,409	28,367	12,973	19,608	36,634	190,991
Interfund Payable	-	-	-	71,370	3,687	75,057
Due to Other Funds	-	693	6,923	-	134,620	142,236
Matured Compensated Absences Payable	-	2,290	-	-	-	2,290
Unearned Revenue	-	-	-	-	324,077	324,077
Total Liabilities	286,972	142,660	64,665	1,043,398	655,154	2,192,849
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	3,669,408	-	2,313,002	-	2,042,148	8,024,558
Unavailable Revenue	1,298,497	1,453,672	344,374	510,271	573,043	4,179,857
Total Deferred Inflows of Resources	4,967,905	1,453,672	2,657,376	510,271	2,615,191	12,204,415
Fund Balances						
Nonspendable	320,219	486,525	8,109	-	69,925	884,778
Restricted	-	5,759,197	5,512,788	666,847	6,864,620	18,803,452
Committed	954	-	-	-	-	954
Assigned	2,209,972	-	-	-	-	2,209,972
Unassigned	1,604,771	-	-	-	(45,891)	1,558,880
Total Fund Balance	4,135,916	6,245,722	5,520,897	666,847	6,888,654	23,458,036
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,390,793	$ 7,842,054	$ 8,242,938	$ 2,220,516	$ 10,158,999	$ 37,855,300

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020

Total Governmental Fund Balances		$ 23,458,036
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		76,490,539
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	$ 881,676	
Permissive Sales Taxes	504,770	
Intergovernmental	2,194,856	
Accrued Interest	19,953	
Accounts	578,601	4,179,856
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(149,481)
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	26,279	
Deferred Outflows - Pension	2,558,527	
Deferred Outflows - OPEB	1,670,852	
Net Pension Liability	(12,693,491)	
Net OPEB Liability	(8,206,373)	
Deferred Inflows - Pension	(2,618,124)	
Deferred Inflows - OPEB	(1,198,571)	(20,460,901)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds	(15,296,618)	
OPWC Loans	(578,321)	
Compensated Absences	(742,647)	(16,617,586)
Net Position of Governmental Activities		$ 66,900,463

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

For the Year Ended December 31, 2020

	General	Maintenance	Developmental Disabilities	FEMA	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$ 4,028,520	$ -	$ 3,073,006	$ -	$ 2,022,648	$ 9,124,174
Permissive Sales Taxes	3,478,533	-	-	-	-	3,478,533
Permissive MVL Taxes	-	68,006	-	-	-	68,006
Intergovernmental	774,560	4,575,957	277,090	5,555,000	6,796,156	17,978,763
Investment Income	396,176	13,660	2,241	-	1,030	413,107
Licenses and Permits	931	30,445	-	-	60,128	91,504
Fines and Forfeitures	53,798	9,186	-	-	27,668	90,652
Lease and Royalty Revenue	10	-	-	-	864	874
Charges for Services	2,202,498	53,027	586	-	1,200,516	3,456,627
Contributions and Donations	-	-	-	-	37,301	37,301
Other	1,734,568	1,310,944	136,819	200	365,907	3,548,438
Total Revenues	12,669,594	6,061,225	3,489,742	5,555,200	10,512,218	38,287,979
Expenditures						
Current:						
General Government						
Legislative and Executive	2,893,307	-	-	-	871,387	3,764,694
Judicial	1,107,797	-	-	-	527,685	1,635,482
Public Safety	5,064,227	-	-	-	1,699,099	6,763,326
Public Works	50,341	6,564,618	-	4,958,491	1,233,776	12,807,226
Health	461,331	-	1,802,459	-	447,837	2,711,627
Human Services	756,493	-	-	-	3,971,937	4,728,430
Economic Development	-	-	-	-	444,479	444,479
Debt Service:						
Principal Retirement	-	90,494	-	-	543,710	634,204
Interest and Fiscal Charges	-	5,566	-	-	373,565	379,131
Total Expenditures	10,333,496	6,660,678	1,802,459	4,958,491	10,113,475	33,868,599
Excess of Revenues Over (Under) Expenditures	2,336,098	(599,453)	1,687,283	596,709	398,743	4,419,380
Other Financing Sources (Uses)						
Sale of Notes	-	-	-	-	197,000	197,000
Proceeds of OPWC Loans	-	-	-	-	263,064	263,064
Transfers In	-	90,000	-	-	1,333,898	1,423,898
Transfers Out	(9,132,987)	-	-	-	-	(9,132,987)
Total Other Financing Sources (Uses)	(9,132,987)	90,000	-	-	1,793,962	(7,249,025)
Net Change in Fund Balances	(6,796,889)	(509,453)	1,687,283	596,709	2,192,705	(2,829,645)
Fund Balances Beginning of Year (Restated)	10,932,805	6,755,175	3,833,614	70,138	4,695,949	26,287,681
Fund Balances End of Year	$ 4,135,916	$ 6,245,722	$ 5,520,897	$ 666,847	$ 6,888,654	$ 23,458,036

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds		$ (2,829,645)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activites, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 6,229,886	
Current Year Depreciation	(2,783,566)	3,446,320
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(1,918,986)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	486,249	
Sales Taxes	162,599	
Intergovernmental	(498,212)	
Accrued Interest	19,953	
Accounts	247,320	417,909
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bonds	261,810	
OPWC Loans	28,218	
Loans	292,100	
Capital Lease	52,076	634,204
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Bonds	(197,000)	
OPWC Loans	(263,064)	(460,064)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable		(25,262)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,257,991
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,814,080)	
OPEB	(1,326,575)	(4,140,655)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		(122,741)
Change in Net Position of Governmental Activities		$ (3,740,929)

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property and Other Local Taxes	$ 4,171,800	$ 4,171,800	$ 4,173,961	$ 2,161
Sales Taxes	3,760,639	4,022,142	3,913,653	(108,489)
Charges for Services	2,100,113	2,246,148	2,173,237	(72,911)
Licenses and Permits	919	983	956	(27)
Fines and Forfeitures	48,688	52,074	50,669	(1,405)
Intergovernmental	854,178	913,575	888,933	(24,642)
Investment Income	241,755	258,566	91,198	(167,368)
Lease and Royalty Revenue	29	30	30	-
Miscellaneous	599,720	641,423	624,122	(17,301)
Total Revenues	11,777,841	12,306,741	11,916,759	(389,982)
Expenditures				
Current:				
General Government				
Legislative and Executive	3,022,471	3,202,867	2,722,487	480,380
Judicial Systems	1,132,570	1,156,098	1,032,202	123,896
Public Safety	5,544,257	5,680,022	5,447,202	232,820
Public Works	60,626	60,869	51,166	9,703
Health	470,000	1,040,624	441,130	599,494
Human Services	843,913	700,698	682,905	17,793
Total Expenditures	11,073,837	11,841,178	10,377,092	1,464,086
Excess of Revenues Over (Under) Expenditures	704,004	465,563	1,539,667	1,074,104
Other Financing Sources (Uses)				
Advances In	-	-	67,340	67,340
Advances Out	(25,000)	(161,590)	(161,590)	-
Transfers In	-	772	754,369	753,597
Transfers Out	(1,716,930)	(2,013,612)	(1,916,322)	97,290
Total Other Financing Sources (Uses)	(1,741,930)	(2,174,430)	(1,256,203)	918,227
Net Change in Fund Balance	(1,037,926)	(1,708,867)	283,464	1,992,331
Fund Balance Beginning of Year	1,855,214	1,855,214	1,855,214	-
Prior Year Encumbrances Appropriated	215,330	215,330	215,330	-
Fund Balance End of Year	$ 1,032,618	$ 361,677	$ 2,354,008	$ 1,992,331

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Maintenance Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Permissive Motor Vehicle License Taxes	$ 60,010	$ 72,771	$ 73,769	$ 998
Charges for Services	43,137	52,309	53,027	718
Licenses and Permits	26,617	32,277	32,598	321
Fines and Forfeitures	7,276	8,823	8,944	121
Intergovernmental	4,624,573	4,570,823	4,647,748	76,925
Investment Income	10,691	12,964	13,142	178
Miscellaneous	195,196	1,273,813	1,277,060	3,247
Total Revenues	4,967,500	6,023,780	6,106,288	82,508
Expenditures				
Current:				
Public Works	6,547,215	8,278,076	6,408,887	1,869,189
Debt Service:				
Principal Retirement	-	90,494	90,494	-
Interest and Fiscal Charges	-	5,566	5,566	-
Total Expenditures	6,547,215	8,374,136	6,504,947	1,869,189
Excess of Revenues Over (Under) Expenditures	(1,579,715)	(2,350,356)	(398,659)	1,951,697
Other Financing Sources (Uses)				
Advances In	-	-	452,182	452,182
Advances Out	-	-	(71,862)	(71,862)
Transfers In	-	-	119,311	119,311
Total Other Financing Sources (Uses)	-	-	499,631	499,631
Net Change in Fund Balance	(1,579,715)	(2,350,356)	100,972	2,451,328
Fund Balance Beginning of Year	4,211,001	4,211,001	4,211,001	-
Prior Year Encumbrances Appropriated	73,786	73,786	73,786	-
Fund Balance End of Year	$ 2,705,072	$ 1,934,431	$ 4,385,759	$ 2,451,328

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Developmental Disabilities
For the Year Ended December 31, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property and Other Local Taxes	$ 2,006,000	$ 2,006,000	$ 3,197,671	$ 1,191,671
Charges for Services	761	761	586	(175)
Intergovernmental	402,959	357,959	227,639	(130,320)
Investment Income	71,069	70,069	53,946	(16,123)
Miscellaneous	149,211	149,211	114,877	(34,334)
Total Revenues	2,630,000	2,584,000	3,594,719	1,010,719
Expenditures				
Current:				
Health	3,309,964	5,286,612	4,270,467	1,016,145
Total Expenditures	3,309,964	5,286,612	4,270,467	1,016,145
Excess of Revenues Over (Under) Expenditures	(679,964)	(2,702,612)	(675,748)	2,026,864
Other Financing Sources (Uses)				
Transfers In	765,000	765,000	2,506,942	1,741,942
Total Other Financing Sources (Uses)	765,000	765,000	2,506,942	1,741,942
Net Change in Fund Balance	85,036	(1,937,612)	1,831,194	3,768,806
Fund Balance Beginning of Year	3,679,209	3,679,209	3,679,209	-
Prior Year Encumbrances Appropriated	35,964	35,964	35,964	-
Fund Balance End of Year	$ 3,800,209	$ 1,777,561	$ 5,546,367	$ 3,768,806

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Federal Emergency Management Agency
For the Year Ended December 31, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 5,300,000	$ 5,786,574	$ 5,320,214	(466,360)
Miscellaneous	-	-	200	200
Total Revenues	5,300,000	5,786,574	5,320,414	(466,160)
Expenditures				
Current:				
Public Works	5,300,000	5,408,284	4,438,644	969,640
Total Expenditures	5,300,000	5,408,284	4,438,644	969,640
Excess of Revenues Over (Under) Expenditures	-	378,290	881,770	503,480
Other Financing Sources (Uses)				
Advances In	-		71,370	71,370
Advances Out		(452,182)		452,182
Net Change in Fund Balance	-	(73,892)	953,140	1,027,032
Fund Balance Beginning of Year	166,119	166,119	166,119	-
Fund Balance End of Year	$ 166,119	$ 92,227	$ 1,119,259	$ 1,027,032

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

	Enterprise Funds
	Care Center
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 452,044
Accounts Receivable	21,402
Intergovernmental Receivable	620
Prepaid Items	2,161
Total Current Assets	476,227
Liabilities	
Current Liabilities:	
Due to Other Funds	36,853
Accrued Interest Payable	4,870
General Obligation Bonds Payable	120,000
Total Current Liabilities	161,723
Long-Term Liabilities:	
General Obligation Bonds Payable - Net of Current Portion	943,864
Total Long-Term Liabilities	943,864
Total Liabilities	1,105,587
Net Position	
Unrestricted	(629,360)
Total Net Position	$ (629,360)

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	Enterprise
	Care Center
Operating Revenues	
Charges for Services	$ 379,168
Other	71,314
Total Operating Revenues	450,482
Operating Expenses	
Personal Services	310,355
Contractual Services	32,744
Materials and Supplies	65,299
Other	21,439
Total Operating Expenses	429,837
Operating Income (Loss)	20,645
Non-Operating Revenues (Expenses)	
Intergovernmental	10,662
Interest	(60,870)
Total Non-Operating Revenues (Expenses)	(50,208)
Income (Loss) Before Special Item, and Transfers	(29,563)
Special Item *(See Note 26)*	1,666,201
Transfers In	7,709,089
Change in Net Position	9,345,727
Net Position Beginning of Year	(9,975,087)
Net Position End of Year	$ (629,360)

See accompanying notes to the basic financial statements.

Monroe County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Enterprise Fund Care Center
Cash Flows from Operating Activities	
Cash Received from Customers	$ 678,779
Cash Received from Other Operating Revenue	71,314
Cash Payments to Suppliers for Goods and Services	(82,947)
Cash Payments to Employees for Services and Benefits	(402,184)
Cash Payments for Contractual Services	(257,185)
Cash Payments for Other Operating Expenses	(22,516)
Net Cash Provided by (Used for) Operating Activities	(14,739)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	10,042
Advances In	114,250
Net Cash Provided by (Used for) Noncapital Financing Activities	124,292
Cash Flows from Capital and Related Financing Activities	
Transfers In	179,433
Proceeds from Sale of Capital Assets	302,489
Principal Payments on Debt	(115,000)
Interest Payments on Debt	(64,433)
Net Cash Provided by (Used for) Capital and Related Financing Activities	302,489
Net Increase (Decrease) in Cash and Cash Equivalents	412,042
Cash and Cash Equivalents Beginning of Year	40,002
Cash and Cash Equivalents End of Year	$ 452,044
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ 20,645
Adjustments:	
(Increase) Decrease in Assets:	
Accounts Receivable	281,970
Prepaid Items	35,354
Materials and Supplies Inventory	11,845
Increase (Decrease) in Liabilities:	
Accounts Payable	(100,431)
Accrued Wages	(58,580)
Intergovernmental Payable	(41,330)
Due to Other Funds	(164,212)
Net Cash Provided by (Used For) Operating Activities	$ (14,739)

Schedule of Noncash Transactions:

In 2020, the outstanding accumulative interfund payable was forgiven, in the amount of $7,709,089.

In 2020, the Care Center was disposed of and sold.

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

		Custodial
Assets		
Equity in Pooled Cash and Cash Equivalents	$	3,836,900
Cash and Cash Equivalents in Segregated Accounts		1,320,504
Intergovernmental Receivable		1,912,529
Property Taxes Receivable		67,099,250
Special Assessments Receivable (Current Asset)		96,113
Total Assets		74,265,296
Liabilities		
Accounts Payable		168,523
Intergovernmental Payable		3,343,318
Total Liabilities		3,511,841
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year		60,456,733
Total Deferred Inflows of Resources		60,456,733
Net Position		
Restricted for Individuals, Organizations and Other Governments		10,296,722
Total Net Position	$	10,296,722

See accompanying notes to the basic financial statements.

Monroe County, Ohio

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2020

		Custodial
Additions		
Intergovernmental	$	4,571,568
Amounts Received as Fiscal Agent		3,063,581
Licenses, Permits & Fees for Other Governments		1,047,131
Fines & Forfeitures for Other Governments		623,818
Property Tax Collections for Other Governments		47,975,212
Special Assessment Collections for Other Governments		96,113
Sheriff Sale Collections for Other Governments		143,276
Amounts Received for Others		298,280
Other		185,053
Total Additions		58,004,032
Deductions		
Distributions as Fiscal Agent		1,698,555
Distributions of State Funds to Other Goverments		4,379,632
Licenses, Permits & Fees Distributions to Other Governments		1,033,399
Fines & Forfeitures Distributions to Other Governments		653,483
Property Tax Distributions to Other Governments		46,160,084
Sheriff Sale Distributions to Other Governments		245,584
Distributions to Individuals		16,283
Other Distributions		336,046
Total Deductions		54,523,066
Change in Net Position		3,480,966
Net Position Beginning of Year (Restated)		6,815,756
Net Position End of Year	$	10,296,722

See accompanying notes to the basic financial statements.

NOTE 1 - REPORTING ENTITY

Established in 1813, Monroe County, Ohio (the County), is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a County Court Judge, and a Common Pleas-Juvenile-Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and chief administrators of public services for the County, including each of these departments.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the program's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for that are fiscally dependent on the County in that the County approves the budget, the levying of taxes, the issuance of debt, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The Monroe Adult Crafts Organization, Inc. (Workshop) was previously presented as a component unit of the County. However, for 2020, this component unit's activity was considered insignificant and thus excluded from the financial statements.

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuing of debt, or the levying of taxes:

Monroe County Agricultural Society
Monroe County Historical Society

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 activity of the following entities is presented as custodial funds in the County's financial statements:

Monroe County General Health District (District) - The District is a separately elected governing body that is legally separate. The five-member Board of Directors which oversees the operation of the District is elected by a District Advisory Council comprised of township trustees, mayors of participating municipalities, and members of the District, and approves the District's budget; however, this oversight is ministerial. The County will report the District and its activity as a custodial fund.

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

The Monroe County Regional Planning Commission, the Monroe County Family and Children First Council, and the Monroe County Park District are presented as custodial funds of the County because the County Auditor is the fiscal agent for these organizations.

The County participates in the following organizations which are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is discussed in Note 18.

Buckeye Hills Regional Council (Council)
Southeastern Ohio Joint Solid Waste District (District)
Guernsey-Monroe-Noble Community Action Corporation (GMN)
Belmont, Harrison, and Monroe Counties Cluster
Mental Health Recovery Board (Board)
Monroe County Family and Children First Council
Buckeye Hills Resource Conservation and Development Project (RC&D)
Mid Eastern Ohio Regional Council of Governments (MEORC)
Ohio Valley Employment Resource
Oakview Juvenile Residential Center

The County is associated with the following organizations which are defined as related organizations. Additional financial information concerning the related organizations is presented in Note 19.

Monroe County District Public Library
Monroe County Community Improvement Corporation (CIC)
Monroe County Emergency Medical Service (EMS)

The County is associated with the County Risk Sharing Authority, Inc. (CORSA) and the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program which are defined as public entity pools. Additional information concerning these organizations is presented in Note 20.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the County's accounting policies are described below.

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for custodial funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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. Non-major funds are aggregated and presented in a single column. Custodial funds are reported by type.

Fund Accounting

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

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

General Fund - The General Fund, the County's primary operating 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.

Maintenance Fund - This fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvements programs.

Developmental Disabilities Fund - This fund accounts for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the developmentally disabled. County expenditures have been for social service contracts, medical providers, and costs to maintain and operate buildings and buses provided for the developmentally disabled.

Federal Emergency Management Agency (FEMA) – This fund accounts for state and federal grants restricted to expenditures relating to a disaster response within the County,

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprises funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County reports the following major enterprise fund:

Care Center Fund - The Care Center Fund accounts for activity associated with the operation of a nursing home and rehabilitation center. Revenues are derived from patients and other non-operating sources. Expenses are for operating and capital related financing activities from the operation of the center. The County discontinued operations of the Care Center during 2020.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The custodial fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Custodial funds are used to account for assets held by the County as fiscal agent for other districts and entities and for various taxes and state shared resources collected on behalf of and distributed to other local governments. The County's fiduciary funds are all classified as custodial funds.

Measurement Focus

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

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

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

For proprietary funds, the Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Proprietary funds also present a Statement of Cash Flows which provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a Statement of Changes in Fiduciary Net Position which reports additions to and deductions from custodial funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes (see Note 7), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criterial have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, permissive sales taxes, accounts receivable, and intergovernmental grants and entitlements. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Notes 11 and 12)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Budgetary Process

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

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

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.

Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee, fiscal agent, or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2020, investments were limited to money markets, federal agency securities, marketable certificates of deposit, non-participating certificates of deposit, US treasury bills, US treasury notes, commercial paper, taxable and non-taxable municipal issues, and STAROhio. Except for nonparticipating certificates of deposit, investments are reported at fair value. Non-participating certificates of deposit are reported at cost or amortized cost. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The County measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four advance notice is appreciated for deposits and withdrawals of $25 million or more. STAROhio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The County has segregated accounts for monies held separate from the County's central bank accounts. These bank accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County Treasury. The County has amounts presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" which represents money held by a jointly governed organization (see Note 5).

Provisions of the Ohio Revised Code restrict investment procedures. Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue is distributed to the funds according to the Monroe County Prosecutor's interpretation of Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2020 amounted to $396,176 which includes $360,203 assigned from other County funds.

Restricted Assets

The Governmental Balance Sheet is showing restricted cash and cash equivalents in the General Fund and DRETAC Special Revenue Fund for unclaimed monies not available for appropriation.

Receivables and Payables

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

Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Prepaid Items

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term and long-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of $5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Infrastructure	25 - 75 Years
Buildings and Improvements	20 - 40 Years
Vehicles and Equipment	4 - 20 Years

Infrastructure consisting of roads and bridges are capitalized and includes infrastructure acquired prior to the implementation of Governmental Accounting Standards Board Statement No. 34.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees with twenty or more years of service at any age or 10 years of service at age 50.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, long-term loans, and long-term notes are recognized as a liability in the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Bond Premiums, Discounts, and Issuance Costs

Bond Premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

On the governmental fund financial statements, governmental fund types recognize bond premiums or discounts in the period in which the related debt is issued. The face amount of the debt issue is reported as other financing sources. Premiums received or discounts paid on debt issuances are shown as other financing sources or uses on the governmental fund financial statements. Debt issuance costs are reported as expenses in the period incurred.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Capital Contributions

Contributions of capital arise from contributions of capital assets from governmental activities to business-type activities, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in 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. It also includes the long-term amount of loans receivable, prepaids, as well as inventory, unless the use of the proceeds from the collection of those receivables, or from the use of the prepaids and inventory, is restricted, committed, or assigned.

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 removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the County Commissioners. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2021'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.

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.

<u>Internal Activity</u>

The County uses an internal proportionate share to allocate its net pension/OPEB liability and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, this allowing the total column to present the change in proportionate share for the County as a whole.

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

Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include the activities and programs associated with senior services, youth services, and local health and victims advocate programs. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for operating a nursing home and rehabilitation center. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. During 2020, the County reported a special item related to discontinuing Care Center operations.

Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Budget Basis) and Actual 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 budget basis and the GAAP basis are as follows:

A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

C. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance.

D. Unrecorded cash and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

E. 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 (GAAP basis) in the appropriate County fund.

F. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance

	General Fund	Maintenance Fund	Developmental Disabilities Fund	FEMA Fund
GAAP Basis	$ (6,796,889)	$ (509,453)	$ 1,687,283	$ 596,709
Net Adjustment for Revenue Accruals	68,874	526,556	2,611,920	(163,416)
Net Adjustment for Expenditure Accruals	7,199,029	145,652	(2,468,008)	519,847
Adjustment for Encumbrances	(187,550)	(61,783)	-	-
Budget Basis	$ 283,464	$ 100,972	$ 1,831,195	$ 953,140

NOTE 4 – FUND BALANCE

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:

Fund Balance	General Fund	Maintenance Fund	Developmental Disabilities Fund	FEMA Fund	Other Governmental Funds	Total
Nonspendable:						
Prepaids	$ 58,780	$ 13,343	$ 5,684	$ -	$ 41,344	$ 119,151
Inventory	230,084	473,182	2,425	-	2,500	708,191
Unclaimed Monies	31,355	-		-	26,081	57,436
Total Nonspendable	320,219	486,525	8,109	-	69,925	884,778
Restricted for:						
Real Estate Assessment	-	-	-	-	1,032,363	1,032,363
Community Development	-	-	-	-	146,634	146,634
Public Safety Services	-	-	-	-	875,101	875,101
Public Assistance	-	-	-	-	531,931	531,931
Health	-	-	-	-	800,860	800,860
Child Support Enforcement	-	-	-	-	627,655	627,655
Delinquent Tax Collection	-	-	-	-	289,981	289,981
Roads and Bridges	-	5,759,197	-	666,847	-	6,426,044
Developmental Disabilities	-	-	5,512,788	-	-	5,512,788
Court Operations	-	-	-	-	782,689	782,689
Other Purpose	-	-	-	-	127,234	127,234
Children Services	-	-	-	-	544,155	544,155
Capital Improvements	-	-	-	-	1,106,017	1,106,017
Total Restricted	-	5,759,197	5,512,788	666,847	6,864,620	18,803,452
Committed to:						
Unpaid Obligations	954	-	-	-	-	954
Total Committed	954	-	-	-	-	954
Assigned for:						
Purchases on Order	3,203	-	-	-	-	3,203
Encumbrances	156,554	-	-	-	-	156,554
Subsequent Year Appropriations	2,050,215	-	-	-	-	2,050,215
Total Assigned	2,209,972	-	-	-	-	2,209,972
Unassigned (Deficit)	1,604,771	-	-	-	(45,891) *	1,558,880
Total Fund Balance (Deficit)	$ 4,135,916	$ 6,245,722	$ 5,520,897	$ 666,847	$ 6,888,654	$ 23,458,036

Fund balance at December 31, 2020 included individual fund deficits as follows:

	Deficit
Governmental Funds	
Dog and Kennel	$ 39,495
Emergency Management	2,991
Engineer Capital Improvement	3,405
	$ 45,891

Deficits in the proprietary fund include $629,360 in the Care Center fund.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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.

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

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

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

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

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC section 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer’s investment pool (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, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met, in either of the following:

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

   b. Bankers acceptances of banks that are insured by the federal deposit corporation and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided that the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation under ORC Chapter 1724; and,

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

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

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

At December 31, 2020, the Developmental Disabilities Special Revenue Fund had a cash balance of $309,382 with MEORC, a jointly governed organization (see Note 18). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 40. Any risk associated with the cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Director of Financial Operations, 1 Avalon Road, Mt. Vernon, Ohio 43050.

Investments

As of December 31, 2020, the County had the following investments which are in the internal investment pool:

	Measurement Amount	Maturity	Percent of Total Investments	Rating	Rating Agency
Fair Value - Level 2 Inputs:					
US Treasury Bill	$ 49,985	6/20/2021	0%	N/A	N/A
US Treasury Note	852,982	1/31/21-8/31/21	6%	N/A	N/A
Commercial Paper	3,011,837	3/12/21-8/9/21	21%	N/A	N/A
Federal Home Loan Mortgage Corporation	698,747	6/24/2025	5%	AA+	S&P
Federal Home Loan Bank	150,314	2/24/2024	1%	AA+	S&P
Non-Taxable Municipal Issues	1,958,956	12/1/21-12/1/26	14%	N/A	N/A
Taxable Municipal Issues	2,238,087	3/1/21-12/1/25	16%	N/A	N/A
Negotiable Certificates of Deposit	5,038,642	3/1/21-4/29/25	37%	Not Rated	N/A
Net Asset Value Per Share:					
STAROhio	149,272	55.7 days	N/A	AAAm	S&P
Money Market	6,485	12/31/2020	0%	AAAm	S&P
Total	$ 14,155,307				

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2020. The County's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk The County's investment policy does not address interest rate risk. 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 intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk STAROhio carries a rating of AAAm by Standard and Poor's and the weighted average of maturity of the portfolio held by STAROhio as of December 31, 2020, is 56 days. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The County has no investment policy that would limit its investment choices other than what has been approved by State statute.

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

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

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 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, were levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2020**,** was $9.30 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

Real Property	$565,053,730
Public Utility Personal Property	755,079,180
Total Assessed Value	$1,320,132,910

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

NOTE 7 - PERMISSIVE SALES AND USE TAXES

In 1967, in accordance with Section 5739.02 of the Revised Code, counties were authorized to levy an excise tax of 0.5% to 1-1/2%. The tax must be levied pursuant to a resolution of the County Commissioners and a copy of the resolution of the County Commissioners sent to the Tax Commissioner not later than 60 days prior to the effective date of the tax.

Vendor collections of the permissive sales tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County. Proceeds of the tax are credited entirely to the General Fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2020, consisted of taxes, sales taxes, interfund, accrued interest, accounts (billings for user charged services), loans, permissive motor vehicle license tax, and intergovernmental receivables arising from grants, entitlements, and shared revenues. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Homestead and Rollback	$227,047
Local Government, Local Government Reveneue Assistance, and Library and Local Governmental Support Subsidies	134,861
Motor Vehicle License Tax	431,669
Motor Vehicle Gas Tax	1,748,640
Casino Revenue	81,448
Ohio Bureau of Worker's Compensation	605,719
Justice Reinvestment Grants	33,463
Youth Services Grants	31,863
Targeted Community Alternatives Grant	23,304
FEMA Grants	1,101,256
Emergency Management Grants and Subsidies	7,500
Public Assistance Grants and Subsidies	257,518
Child Support Enforcement Grants and Subsidies	126,838
Children Services Subsidies	34,974
Federal IV-E Reimbursements	40,386
Monroe County Public Transportation Grants	57,493
Community Corrections Grants	22,497
Developmental Disabilities State and Federal Grants and Subsidies	29,198
VWAP Grants	27,737
Miscellaneous Intergovernmental Receivables	104,805
Total Intergovernmental Receivables	$5,128,216

Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Management believes all other receivables are fully collectible within one year, except for property taxes and loans.

Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $881,676 may not be collected within one year.

The Community Development Block Grant Special Revenue Fund loans receivable has been paid in full as of December 31, 2020. This amount was for the principal owed to the County for Federal Community Development Block Grant Program monies loaned to businesses for improvements.

NOTE 9 - CAPITAL ASSETS

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

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
Governmental Activities				
Non-Depreciable Capital Assets:				
Land and Land Improvements	$ 17,334,209	$ 829,431	$ (233,870)	$ 17,929,770
Depreciable Capital Assets:				
Infrastructure	44,560,694	4,092,665	(3,525,271)	45,128,088
Buildings and Improvements	19,677,799	148,231	-	19,826,030
Vehicles and Equipment	9,850,979	1,159,559	(277,707)	10,732,831
Total Depreciable Capital Assets	74,089,472	5,400,455	(3,802,978)	75,686,949
Accumulated Depreciation:				
Infrastructure	(7,832,198)	(1,530,464)	1,947,994	(7,414,668)
Buildings and Improvements	(2,712,973)	(418,938)	-	(3,131,911)
Vehicles and Equipment	(5,915,305)	(834,164)	169,868	(6,579,601)
Total Accumulated Depreciation	(16,460,476)	(2,783,566) *	2,117,862	(17,126,180)
Total Depreciable Capital Assets, Net	57,628,996	2,616,889	(1,685,116)	58,560,769
Governmental Capital Assets, Net	$ 74,963,205	$ 3,446,320	$ (1,918,986)	$ 76,490,539

*Depreciation expense was charged to governmental activities as follows:

Legislative and Executive	$ 90,206
Judicial	21,578
Public Safety	686,822
Public Works	1,735,069
Health	158,502
Human Services	90,604
Economic Development	785
Total Depreciation Expense	$ 2,783,566

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
Business - Type Activities				
Depreciable Capital Assets:				
Buildings and Improvements	$ 3,972,843	$ -	$ (3,972,843)	$ -
Vehicles and Equipment	159,786	-	(159,786)	-
Total Depreciable Capital Assets	4,132,629	-	(4,132,629)	-
Accumulated Depreciation:				
Buildings and Improvements	(1,741,632)	-	1,741,632	-
Vehicles and Equipment	(137,175)	-	137,175	-
Total Accumulated Depreciation	(1,878,807)	-	1,878,807	-
Total Depreciable Capital Assets/ Business-Type Activities Capital Assets, Net	$ 2,253,822	$ -	$ (2,253,822)	$ -

NOTE 10 - 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. The County contracts with County Risk Sharing Authority, Inc. (CORSA) to address liability, auto, and crime insurance coverage. 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 and was established May 12, 1987. Coverage is as follows:

General Liability	$1,000,000 each occurrence
Law Enforcement Liability	$1,000,000 each occurrence
Automobile Liability	$1,000,000 each occurrence
Errors and Omissions Liability	$1,000,000 each occurrence
	$1,000,000 annual aggregate
	$100,000 each occurrence back wages
Excess Liability	$3,000,000 each occurrence
	$3,000,000 annual aggregate
Ohio Stop Gap Employers' Liability	$1,000,000 each occurrence
Employee Benefits Liability	$1,000,000 each occurrence
Cyber Liability	$1,000,000 each occurrence
	$1,000,000 annual aggregate
Medical and Professional Liability	$3,000,000
Property Damage Liability	Replacement Cost
Equipment Breakdown	$100,000,000
Contingent Business Interruption	$100,000 each occurrence
Crime	$1,000,000
Gross Earnings/Extra Expense	$2,500,000 each occurrence
Uninsured/Underinsured Motorists	$250,000
Attorney Disciplinary Proceedings	$25,000 each occurrence
	$25,000 annual aggregate
Declaratory, Injunctive or Equitable Relief	$25,000 each occurrence
	$25,000 annual aggregate
Law Enforcement Canines	$75,000
Unmanned Aerial Vehicles	$8,828

The deductible on the above coverage for each occurrence is $2,500.

Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County participates in the workers' compensation program provided by the State of Ohio. For 2020, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program (Program), an insurance purchasing pool (see Note 20). The Program is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The participating counties continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating counties can either receive a premium refund or assessment. Employers will pay experience - or base rated premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down retroactively. In order to allocate the savings derived by formation of the Program, the Program's executive committee annually calculates the group-retrospective premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the retrospective premium us higher, an assessment will be charged to each participant.

Participation in the Program is limited to counties that can meet the Program's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Program. Each year, the County pays an enrollment fee to the Program to cover the costs of administering the Program.

The County may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Program prior to withdrawal.

The County pays all elected official bonds by state statute.

NOTE 11 - 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/OPEB liability (asset) represents 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 would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 12 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
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	**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	**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
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.
When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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
2020 Statutory Maximum Contribution Rates		
Employer	14.00 %	18.10 %
Employee	10.00 %	**
2020 Actual Contribution Rates		
Employer:		
Pension	14.00 %	18.10 %
Post-Employment Health Care Benefits	0.00 %	0.00 %
Total Employer	14.00 %	18.10 %
Employee	10.00 %	13.00 %

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $1,244,506 for 2020. Of this amount, $97,889 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive a lump-sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll effective July 1, 2016. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2020 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $13,485 for 2020. Of this amount, $2,035 is reported as an intergovernmental payable.

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

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

	OPERS		STRS		Total	
Proportion of the Net Pension Liability:						
Current Measurement Period		0.062389%		0.001495%		
Prior Measurement Period		0.074049%		0.001440%		
Change in Proportion		-0.011660%		0.000055%		
Proportionate Share of the Net Pension Liability	$	12,331,696	$	361,795	$	12,693,491
Pension Expense	$	2,776,782	$	37,298	$	2,814,080

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		STRS		Total	
Deferred Outflows of Resources						
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$	-	$	17,595	$	17,595
Differences between Expected and Actual Experience		-		812		812
Changes of Assumptions		658,657		19,423		678,080
Changes in Proportionate Share		586,667		17,382		604,049
County Contributions Subsequent to the Measurement Date		1,244,506		13,485		1,257,991
Total Deferred Outflows of Resources	$	2,489,830	$	68,697	$	2,558,527
Deferred Inflows of Resources						
Differences between Expected and Actual Experience	$	155,916	$	2,312	$	158,228
Net Difference between Projected and Actual Earnings on Pension Plan Investments		2,459,896		-		2,459,896
Total Deferred Inflows of Resources	$	2,615,812	$	2,312	$	2,618,124

$1,257,991 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:		OPERS		STRS		Total
2021	$	255,141	$	17,917	$	273,058
2022		(750,753)		11,100		(739,653)
2023		101,864		13,631		115,495
2024		(976,740)		10,252		(966,488)
	$	(1,370,488)	$	52,900	$	(1,317,588)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following 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, 2019 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: 3.00 percent Simple through 2020, then 2.15 percent Simple

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 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.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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

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 current period discount rate assumption of 7.20 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	$ 20,338,957	$ 12,331,696	$ 5,133,403

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, are presented below:

Inflation	2.50 percent
Acturial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the County's proportionate share of the net pension liability as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net Pension Liability	$ 515,132	$ 361,795	$ 231,853

Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2020, none have elected Social Security.

NOTE 12 – DEFINED BENEFIT OPEB PLANS

See Note 11 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 to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit 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. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.
The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 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 2020, 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $0 for 2020.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.059412%	0.001495%	
Prior Measurement Period	0.070982%	0.001440%	
Change in Proportion	-0.011570%	0.000055%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 8,206,373	$ (26,279)	$ 8,180,094
OPEB Expense	$ 1,328,010	$ (1,435)	$ 1,326,575

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ 920	$ 920
Differences between Expected and Actual Experience	220	1,685	1,905
Changes of Assumptions	1,298,980	433	1,299,413
Changes in Proportionate Share	366,930	1,684	368,614
Total Deferred Outflows of Resources	$ 1,666,130	$ 4,722	$ 1,670,852
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 750,510	$ 5,234	$ 755,744
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	417,866	-	417,866
Changes of Assumptions	-	24,961	24,961
Total Deferred Inflows of Resources	$ 1,168,376	$ 30,195	$ 1,198,571

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

Year Ending December 31:	OPERS	STRS	Total
2021	$ 552,529	$ (6,455)	$ 546,074
2022	123,449	(5,828)	117,621
2023	334	(5,612)	(5,278)
2024	(178,558)	(5,475)	(184,033)
2025	-	(869)	(869)
Thereafter	-	(1,234)	(1,234)
	$ 497,754	$ (25,473)	$ 472,281

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, Including Inflation	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	
Current Measurement Date	6.00 percent
Prior Measurement Date	6.00 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.71 percent
Health Care Cost Trend Rate	
Current Measurement Date	10.50 percent, initial, 3.50 percent ultimate in 2030
Prior Measurement Date	10.00 percent, initial, 3.25 percent ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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

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

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB Liability	$ 10,739,355	$ 8,206,373	$ 6,178,278

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 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 Liability	$ 7,964,209	$ 8,206,373	$ 8,445,448

Changes between Measurement Date and Reporting Date

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

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
County's Proportionate Share of the Net OPEB Asset	$ (22,864)	$ (26,279)	$ (29,176)

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB Asset	$ (28,996)	$ (26,279)	$ (22,969)

NOTE 13 - OTHER EMPLOYEE BENEFITS

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to five weeks of vacation per year, depending on length of service. Vacation accumulation is limited to three years of accrual. All accumulated, unused vacation time is paid to eligible employees upon termination of employment.

Employees earn sick leave at the rate of 1.25 days per month of service and unused sick leave may be accumulated without limit. Upon retirement or death, an employee can be paid twenty-five percent of accumulated, unused sick leave up to a maximum of 30 days.

NOTE 14 - CAPITAL LEASES-LESSEE DISCLOSURE

Road equipment acquired by lease has been capitalized in the government-wide statements in the amount of $253,194, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements as part of governmental activities. This lease meets the criteria of a capital lease which is defined as transferring benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements.

This capitalized leased assets is reflected net of accumulated depreciation in the amount of $126,599 at December 31, 2020. There were principal payments towards this lease of $52,076 in governmental activities from the Maintenance Special Revenue Fund. At December 31, 2020, the lease has been paid in full.

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during 2020 consist of the following:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Governmental Activities					
General Obligation Bonds					
USDA Series 2017A - $9,000,000 - 2.375%	$ 8,857,294	$ -	$ 146,096	$ 8,711,198	$ 149,566
USDA Series 2017B - $6,500,000 - 2.375%	6,396,934	-	105,514	6,291,420	108,019
USDA Series 2018 - $117,000 - 3.875%	107,200	-	10,200	97,000	10,600
USDA Series 2020 - $197,000 - 2.125%	-	197,000	-	197,000	17,900
Total General Obligation Bonds	15,361,428	197,000	261,810	15,296,618	286,085
OPWC State Capital Improvement Loans from Direct Borrowings:					
$263,063.75 - 0% 2020	-	263,064	8,769	254,295	8,769
$133,475 - 0% 2019	133,475	-	4,449	129,026	4,449
$225,000 - 0% 2018	210,000	-	15,000	195,000	15,000
Total OPWC Loans from Direct Borrowing	343,475	263,064	28,218	578,321	28,218
Loans from Direct Placement					
2019 E Squad $351,933 - 4.058%	292,100	-	292,100	-	-
Net Pension Liability	17,151,284	-	4,457,793	12,693,491	-
Net OPEB Liability	7,681,133	525,240	-	8,206,373	-
Capital Leases	52,076	-	52,076	-	-
Compensated Absences	619,906	125,031	2,290	742,647	165,118
Total Governmental Long Term Liabilities	$41,501,402	$ 1,110,335	$ 5,094,287	$37,517,450	$ 479,421

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Business-Type Activities					
General Obligation Bonds					
2002 Care Center Improvement Term					
Bonds - 795,000 - 5.15%	$ 105,000	$ -	$ 35,000	$ 70,000	$ 35,000
Bond Discout	(2,543)	-	(884)	(1,659)	-
2009 County Care Center Term Bonds					
$1,040,000 - Variable Interest Rate	1,040,000	-	80,000	960,000	85,000
Bond Premium	39,470	-	3,947	35,523	-
Total General Obligation Bonds	1,181,927	-	118,063	1,063,864	120,000
Net Pension Liability	3,447,690	-	3,447,690	-	-
Net OPEB Liability	1,573,244	-	1,573,244	-	-
Compensated Absences	86,484	-	86,484	-	-
Total Business-Type Activities Long Term Liabilities	$ 6,289,345	$ -	$ 5,225,481	$ 1,063,864	$ 120,000

Governmental Activities

On August 28, 2017, the County issued $9,000,000 and $6,500,000 in United States Department of Agriculture (USDA) County Jail Facilities General Obligation Bonds. The proceeds of these bonds were used to construct and furnish a county jail facility, furnishing and equipping the same, landscaping and improving the site thereof, and to retire a bond anticipation note previously issued for the same. The bonds are backed by the full faith and credit of the County and are being retired from the Bond Retirement Debt Service Fund using General Fund transfers. The bonds were issued for a forty year period with final maturity in 2057. The bonds are subject to redemption, at the option of the County, in whole or in part in inverse order of maturity, at any time prior to stated maturity, at their par value plus accrued interest to the date fixed for redemption.

On December 18, 2018, the County issued $117,000 in United States Department of Agriculture (USDA) Engineer Equipment General Obligation Bonds. The proceeds of these bonds were used to purchase trucks with snow plows and related equipment. The bonds are backed by the full faith and credit of the County and are being retired from the Maintenance Special Revenue Fund. The bonds shall be callable for redemption at any time prior to maturity at the option of the County in such order of maturity as the County shall determine at par plus accrued interest to the date of redemption.

On November 20, 2020, the County issued $197,000 in United States Department of Agriculture (USDA) Engineer Equipment General Obligation Bonds. The proceeds of these bonds were used to purchase two dump trucks with snow plows and related equipment. The bonds are backed by the full faith and credit of the County and will be retired from the Maintenance Special Revenue Fund. The bonds shall be callable for redemption at any time prior to maturity at the option of the County in such order of maturity as the County shall determine at par plus accrued interest to the date of redemption.

Principal and estimated interest requirements to maturity for the USDA bonds are as follows:

	General Obligation Bonds Governmental Activities		
Year Ending December 31,	Principal	Interest	Total
2021	$ 286,085	$ 372,481	$ 658,566
2022	292,903	362,877	655,780
2023	300,066	352,763	652,829
2024	307,278	343,156	650,434
2025	314,641	335,595	650,236
2026-2030	1,662,355	1,560,567	3,222,922
2031-2035	1,707,880	1,361,607	3,069,487
2036-2040	1,920,554	1,148,931	3,069,485
2041-2045	2,159,714	909,773	3,069,487
2046-2050	2,428,655	640,832	3,069,487
2051-2055	2,731,087	338,399	3,069,486
2056-2057	1,185,400	42,395	1,227,795
Total	$ 15,296,618	$ 7,769,376	$ 23,065,994

During 2018, 2019 and 2020 the County entered into contractual agreements for resurfacing, culvert replacement, and bridge construction loans from OPWC. Under the terms of these agreements, OPWC reimbursed, advanced, or directly paid the construction costs of the approved projects. OPWC capitalized administrative costs and construction interest and added them to the total amount of the final loans. During 2018, 2019 and 2020 the Issue II Capital Projects Fund received a total of $225,000, $133,475 and $263,064 respectively of these interest free loans. These loans will be repaid from the Issue II Capital Projects Fund with transfers from the General Fund and Maintenance Special Revenue Fund.

The County's outstanding OPWC loans from direct borrowings in the amount of $578,321 related to governmental activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that each payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Principal requirements to maturity are as follows:

Year Ending December 31,	Principal
2021	$ 28,218
2022	28,218
2023	28,218
2024	28,218
2025	28,218
2026-2030	141,090
2031-2035	111,090
2036-2040	66,090
2041-2045	66,090
2046-2050	52,871
Total	$ 578,321

During 2019, the County issued a Fixed Rate Municipal Lease Loan for the purchase of two emergency vehicles. The direct placement loan is backed by the full faith and credit of the County and will be repaid by the E-Squad Levy Special Revenue Fund. In the event of a default such as failure to make the loan payment as it becomes due or observe any of the obligations or covenants contained in the loan agreement, the lender, at its option, may require the County to pay all current and remaining amounts due within the year the default occurred. The lender may also require the County to return all equipment acquired by the loan. At December 31, 2020, this loan was paid in full.

Capital Lease
The County has entered into a capital lease for road equipment. This lease was repaid through the Maintenance Special Revenue Fund.

Net Pension/OPEB Liability
There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General Fund and the Public Assistance, Maintenance, Developmental Disabilities, Emergency Management, Court Computer, DARE, Dog and Kennel, Child Support Enforcement Agency, Real Estate Assessment, Youth Services, Federal IV-E Reimbursement, Monroe County Public Transportation, Delinquent Real Estate Tax and Assessment Collection, Community Correction, Victims Advocate, and 911 Special Revenue Funds. For additional information related to the net pension/OPEB liability see Notes 11 and 12.

Compensated Absences
The County will pay compensated absences from the General Fund and the Public Assistance, Maintenance, Emergency Management, Developmental Disabilities, Real Estate Assessment, Dog and Kennel, Child Support Enforcement Agency, Monroe County Public Transportation, Youth Services, Federal IV-E, VWAP, and Community Corrections Special Revenue Funds.

Business-Type Activities

General Obligation Bonds
The 2002 Care Center Improvement General Obligation Bonds were issued to provide funding for various repairs and improvements to the Care Center. These bonds will be paid from revenues derived from the operation of the Care Center. The bonds were sold at a discount that will be amortized over the life of the bonds using the straight-line method. The amount amortized during 2020 was $884 leaving an unamortized balance at December 31, 2020 of $1,659.

On November 12, 2009, the County issued $1,750,000 in various interest rate general obligation bonds. The proceeds of these bonds were used to renovate the existing County Care Center. The bonds were sold at a premium of $78,947 that will be amortized over the life of the bonds using the straight-line method. The amount amortized for 2020 was $3,947 leaving an unamortized balance at December 31, 2020 of $35,523. These bonds are backed by the full faith and credit of the County and will be repaid from the Care Center Enterprise Fund.

General Obligation Bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 120,000	$ 58,430	$ 178,430
2022	125,000	52,164	177,164
2023	95,000	45,638	140,638
2024	100,000	40,650	140,650
2025	105,000	35,400	140,400
2026-2029	485,000	74,700	559,700
Total	$ 1,030,000	$ 306,982	$ 1,336,982

The term bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2021	$85,000
2022	90,000
2023	95,000
Total	$270,000

The remaining principal amount of such term bonds ($100,000) will be paid at maturity on December 1, 2024.

The term bonds maturing on December 1, 2029 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2025	$105,000
2026	$110,000
2027	$120,000
2028	$125,000
Total	$460,000

The remaining principal amount of such term bonds ($130,000) will be paid at maturity on December 1, 2024.

Compensated Absences
The County will pay compensated absences from the Care Center Enterprise Fund.

The County's overall legal debt margin at December 31, 2020 was $31,405,073.

NOTE 16 - INTERNAL BALANCES

Interfund balances at December 31, 2020 consist of the following individual fund receivables and payables:

	Interfund Payable		
	Major Funds		
Interfund Receivable	FEMA	Other Nonmajor Governmental	Total
Major Funds			
Maintenance	$71,370	$3,687	$75,057

The above interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. All amounts are expected to be repaid within one year.

Interfund transfers during 2020 consisted of the following:

	Transfer From
Transfer To	General Fund
Major Funds:	
Maintenance	$ 90,000
Other Nonmajor Governmental	1,333,898
Enterprise	7,709,089
Totals	$ 9,132,987

Transfers were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the General Fund to the Enterprise Fund represents the forgiveness of outstanding advances to the Care Center Fund.

NOTE 17 - SIGNIFICANT COMMITMENTS

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

Fund	Amount
General Fund	$ 187,550
Maintenance	61,783
Nonmajor Governmental Funds	101,326
	$ 350,659

Significant Contractual Commitments

Vendor	Total Contract Amount	Amount Paid on Contract as of 12/31/20	Amount Outstanding at 12/31/20
Alan Stone	$ 789,197	$ -	$ 789,197
BBR Drilling	202,587	-	202,587
OWV	745,178	-	745,178
Shelly & Sands	721,251	290,571	430,680
	$ 2,458,213	$ 290,571	$ 2,167,642

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

Buckeye Hills Regional Council (Council) - The Council serves as the Area Agency on Aging for Monroe, Athens, Hocking, Meigs, Morgan, Noble, Perry, and Washington Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen-member Board of Directors. The Board is comprised of one County Commissioner from each county, one member from the City of Athens Council, one member from the City of Marietta Council, four at-large members appointed from the ten government members, and one member from the minority sector. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board.

The Council administers County Community Development Block Grant and Transportation Improvement Program. During 2020, the County contributed $3,050 to the Council. The Council has no outstanding debt.

Southeastern Ohio Joint Solid Waste District (District) **-** The County is a member of the District, which is a jointly governed organization involving Noble, Guernsey, Monroe, Morgan, Muskingum, Noble, and Washington counties. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capacity for the District. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. No contributions were received from the County during 2020.

Guernsey-Monroe-Noble Community Action Corporation (GMN) **-** The GMN is a non-profit organization formed to plan, conduct, and coordinate programs designed to combat social and economic problems to help eliminate conditions of poverty within Guernsey, Monroe, and Noble counties. The GMN is governed by a fifteen-member Board of Directors which consists of three Commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. GMN received federal and state funding which is applied for and received by, and in the name of, the Board of Directors. During 2020, the County contracted with GMN to provide senior citizens services. Through this contract, the County is acting as fiscal agent for the collection and settlement of the senior citizens levy.

Belmont, Harrison, and Monroe Counties Cluster (Cluster) **-** Belmont, Harrison, and Monroe Counties Cluster provide services to multi-need youth in Belmont, Harrison, and Monroe Counties. Members of the Cluster include the Belmont, Harrison, and Monroe Counties Alcohol, Drug Addiction, and Mental Health Services Board, the Children Services Board, the Belmont, Harrison, Monroe Drug and Alcohol Councils, student services, Belmont-Harrison Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and developmental disabilities. The Cluster is controlled by an advisory committee which consists of a representative from each agency. The advisory committee exercise total control of the operation of the Cluster including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Advisory Committee. In 2020, the County contributed no money to the Cluster.

Mental Health Recovery Board (Board) **-** The Board is responsible for delivery of comprehensive mental health and substance abuse services in Belmont, Harrison, and Monroe Counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund, and evaluate the services. The Board is managed by eighteen members, six appointed by

Commissioners of Belmont County, two each by Commissioners of Harrison and Monroe Counties and are proportionate to population, four by Ohio Department of Drug and Alcohol, and four by the State Department of Mental Health. The Board exercises total control of the budgeting, appropriation, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The County's 2020 contribution to the Board was $6,000.

Monroe County Family and Children First Council - The Monroe County Family and Children First Council is a jointly governed organization created under the Ohio Revised Code Section 121.37. The Council is comprised of the following members: Superintendent of Monroe Board of Developmental Disabilities, a designee from the Monroe County Health Department, Director of Monroe County Department of Job and Family Services, Superintendent of Switzerland of Ohio Local School District, Monroe County Commissioner, Mayor of the Village of Woodsfield, a representative from Ohio Department of Youth Services, a designee from the Mental Health and Recovery Board, Executive Director of GMN Tri-County CAC, a representative from GMN Tri-County CAC, and three parent representatives. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. In 2020, the County made no contributions to the Council.

Buckeye Hills Resource Conservation and Development Council (RC&D) - RC&D is a 501 (c) (3) non-profit entity, serving a nine county region in southeastern Ohio including Monroe, Athens, Belmont, Hocking, Meigs, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the nine counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 29 members that include three representatives from each county and one representative from each conservancy district. The Executive Council exercises total control over the operations of RC&D including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Executive Council. The County contributed $500 in membership dues to the RC&D in 2020.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is governed by a Council made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. The Board exercises total control over the operations of the MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board. The County did not contribute financially to MEORC during 2020.

Ohio Valley Employment Resource - The Ohio Valley Employment Resource is a jointly governed organization whereby the three county commissioners from Monroe, Noble, Morgan, and Washington Counties serve on the governing board. The Ohio Valley Employment Resource was formed for the purpose of creating and providing employment and training programs in response to local need, a part of which is implementation of the Workforce Investment Act, P.L. 105-220. The continued existence of the Ohio Valley Employment is not dependent on the County's continued participation and no equity interest exists. The Ohio Valley Employment Resource has no outstanding debt.

Oakview Juvenile Residential Center - The Oakview Juvenile Residential Center is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble Counties. The Center was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by Oakview Juvenile Residential Center. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county. The Board exercises total control of the budgeting, appropriating, contracting, and designating management. Each County's degree of control is limited to its representation on the Board.

NOTE 19 - RELATED ORGANIZATIONS

Monroe County District Public Library (Library) **-** The Library is statutorily created as a distinct political subdivision of the State of Ohio governed by a Board of Trustees consisting of seven members. The Monroe County Commissioners appoint four members, and the judges of the Monroe County Court of Common Pleas appoint three members. The County made no contributions to the Library during the year. The Board of Trustees possesses its own contracting and budgeting authority, hires personnel, and does not depend on the County for operational subsidies. Although the County does serve as taxing authority of the Library, this is strictly a ministerial function. The County cannot influence the Library's operation nor does the Library represent a potential financial benefit for, or a burden on, the County.

Once the Board of Trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree. The Library currently has no outstanding debt.

Monroe County Community Improvement Corporation (CIC) **-** The CIC is a non-profit organization that was created under Ohio Revised Code Section 1724.04. Two-fifths of the governing board shall be mayors, county commissioners, or appointed or elected public officials. The remaining three-fifths of the sixteen member Board of Directors is comprised of volunteers. The CIC administers the County's Revolving Loan Fund (RLF), established with Community Development Block Grant Funds. 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's operation nor does the CIC represent a potential financial benefit for, or burden on, the County.

Monroe County Emergency Medical Service (EMS) - The EMS is a non-profit organization created under Ohio Revised Code Section 1702. The governing officers consist of a president, vice-president, secretary, and twelve trustees – two from each squad. The EMS furnishes emergency services to Monroe County and to such other political subdivisions that sign and have contracts with the Monroe County Commissioners. The EMS is to conduct an educational course or courses in emergency victim care and rescue to all members and coordinates with existing organizations for planning further education between various emergency rescue services. The County cannot influence the EMS's operation nor does the EMS represent a potential financial benefit for, or burden on, the County.

NOTE 20 - PUBLIC ENTITY POOLS

***County Risk Sharing Authority, Inc. (CORSA)* -** The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among sixty-five 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 coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. The County's payment for insurance to CORSA in 2020 was $147,661.

***County Commissioners Association of Ohio (CCAO) Workers' Compensation Group Retrospective Rating Program* -** The County Commissioners Association of Ohio (CCAO) Workers Compensation Group Retrospective Rating Program (Program) is a shared risk pool among thirty counties in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The Program is governed by the CCAO Group Executive Committee that consists of eleven members as follows: the president and the secretary/treasurer of the CCAO and nine representatives elected from the participating counties.

CCAO, a Bureau of Workers' Compensation (BWC)-certified sponsor, established the Program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). CCAO created a group of counties that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating counties continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating counties can receive either a premium refund or assessment. CCAO, with approval of the Group Executive Committee, retains the services of a third party administrator (TPA) that will assist CCAO staff in the day-to-day management of the plan, prepare and file necessary reports with the Ohio Bureau of Workers' Compensation and member counties, assist with loss control programs, and other duties, (excluding claims related matters, which will be the responsibility of each individual participating county). The cost of the TPA will be paid by each participating county to CCAO in proportion to its payroll to the total payroll of the group. The County's premium payments to BWC were $129,418 and the payment to CCAO for administrative and membership fees was $2,340.

NOTE 21 - RELATED PARTY TRANSACTIONS

Monroe Adult Crafts Organization (MACO), an immaterial component unit of Monroe County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as in-kind contributions and expenses at cost or fair market value, as applicable, in MACO's basic financial statements.

NOTE 22 - FOOD ASSISTANCE

The County's Department of Job and Family Services (Welfare) distributes, through contracting issuance centers, federal food assistance to entitled recipients within Monroe County. The receipt and issuance of the assistance have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of this assistance is not reflected in the accompanying financial statements, as the only economic interest related to this assistance rests with the ultimate recipient.

NOTE 23 - CONTINGENT LIABILITIES

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

Claims and lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability and effect on the financial statements, if any, is not determinable at this time.

NOTE 24 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION/FUND BALANCES

Implementation of New Accounting Principles

For fiscal year 2020, the County implemented GASB Statement No. 83, *"Certain Asset Retirement Obligations"* which enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. The implementation of this statements did not have an effect on the financial statements of the County.

For fiscal year 2020, the County implemented GASB Statement No. 90, "*Majority Equity Interests-an amendment of GASB Statements No. 14, and No. 61*" which improves consistency and comparability of reporting a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not have an effect on the financial statements of the County.

For fiscal year 2020, the County implemented GASB Statement No. 84, "*Fiduciary Activities*" which enhances consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The implementation of this statement has a significant impact on the financial statements of the County.

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).

Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position as reported December 31, 2019:

	Governmental Activities
Net Position, December 31, 2019	$ 69,690,837
GASB Statement No. 84	950,555
Restated Net Position, December 31, 2019	$ 70,641,392

The implementation of GASB 84 had the following effect on fund balance as reported December 31, 2019:

	General Fund	Maintenance Fund	Developmental Disabilities Fund	FEMA Fund	Other Governmental Funds
Fund Balance (Deficit), December 31, 2019	$ 10,773,370	$ 6,055,175	$ 3,833,614	$ 70,138	$ 4,604,829
GASB Statement No. 84	159,435	700,000	-	-	91,120
Restated Fund Balance (Deficit), December 31, 2019	$ 10,932,805	$ 6,755,175	$ 3,833,614	$ 70,138	$ 4,695,949

The implementation of GASB 84 had the following effect on fiduciary net position as reported December 31, 2019:

	Custodial Funds
Net Position, December 31, 2019	$ -
GASB Statement No. 84	6,815,756
Restated Net Position, December 31, 2019	$ 6,815,756

NOTE 25 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 26 – SPECIAL ITEM

On February 5, 2020, the County Commissioners, by resolution, discontinued the operations of the County's Care Center due to no longer being able to provide this service in a cost effective manner and transferred those operations to Monroe County Home Real Estate Holdings, LLC, who purchased the Care Center facility and contents from the County.

The assets, liabilities, revenues, and expenses of the Care Center for 2020 are found on the statement of fund net position and statement of revenues, expenses, and changes in fund net position on the fund perspective and as part of business-type activities on the entity-wide financial statements.

NOTE 27 – SUBSEQUENT EVENTS

On February 22, 2021, the County Commissioners signed the Notice of Award for the Monroe County Extension Building with PCS & Build, LLC for items in the amount of $898,475 which will be constructed at the Monroe County Fairgrounds.

On March 8, 2021, the County Commissioners approved the issuance of bonds in the amount of $1,180,900 for the purpose of refunding a portion of bonds issued by the County in 2002, 2009, and 2018.

NOTE 28 - COMPLIANCE

Contrary to Section 5705.39, Revised Code, the following funds had final appropriations exceeding final estimated resources:

Developmental Disabilities Fund - $538,497
Federal Emergency Management Agency Fund - $71,570

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

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Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Last Seven Years (1)

	2020	2019	2018	2017	2016
Ohio Public Employees' Retirement System (OPERS)					
County's Proportion of the Net Pension Liability	0.0623890%	0.0740490%	0.0652600%	0.0591810%	0.0625550%
County's Proportionate Share of the Net Pension Liability	$ 12,331,696	$ 20,280,520	$ 10,238,029	$ 13,438,998	$ 10,835,314
County's Covered Payroll	$ 10,138,277	$ 9,588,914	$ 8,279,855	$ 7,345,880	$ 7,504,856
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	121.64%	211.50%	123.65%	182.95%	144.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%
State Teachers Retirement System (STRS)					
County's Proportion of the Net Pension Liability	0.00149524%	0.00144003%	0.00139863%	0.00134880%	0.00133795%
County's Proportionate Share of the Net Pension Liability	$ 361,795	$ 318,454	$ 307,527	$ 320,411	$ 477,852
County's Covered Payroll	$ 150,343	$ 169,279	$ 159,000	$ 148,286	$ 140,779
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	240.65%	188.12%	193.41%	216.08%	318.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%	75.30%	66.80%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

(n/a) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

2015		2014		2013	
	0.0596930%		0.0596930%		n/a
$	7,199,643	$	7,037,027		n/a
$	7,081,122	$	6,848,129		n/a
	101.67%		102.76%		n/a
	86.45%		86.36%		n/a
	0.00134968%		0.00130236%		0.00130236%
$	373,012	$	316,779	$	377,344
$	140,814	$	143,300	$	131,238
	264.90%		221.06%		287.53%
	72.10%		74.70%		69.30%

See accompanying notes to the required supplementary information.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Contributions - Pension
Last Ten Years

	2020	2019	2018	2017
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ 1,244,506	$ 1,481,097	$ 1,399,644	$ 1,122,107
Contributions in Relation to the Contractually Required Contribution	(1,244,506)	(1,481,097)	(1,399,644)	(1,122,107)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$ 8,424,414	$ 10,136,927	$ 9,588,914	$ 8,279,855
Contributions as a Percentage of Covered Payroll	14.51%	14.61%	14.60%	13.55%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 26,970	$ 21,048	$ 26,293	$ 20,871
Contributions in Relation to the Contractually Required Contribution	(13,485)	(21,048)	(26,293)	(20,871)
Contribution Deficiency (Excess)	$ 13,485	$ 0	$ 0	$ 0
County's Covered Payroll	$ 192,642	$ 150,343	$ 187,807	$ 149,079
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(n/a) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012	2011
$ 920,309	$ 936,246	$ 879,889	$ 916,299	n/a	n/a
(920,309)	(936,246)	(879,889)	(916,299)	n/a	n/a
$ 0	$ 0	$ 0	$ 0	n/a	n/a
$ 7,345,880	$ 7,504,856	$ 7,081,122	$ 6,848,129	n/a	n/a
12.53%	12.48%	12.43%	13.38%	n/a	n/a
$ 20,790	$ 20,026	$ 18,629	$ 77,860	$ 67,745	$ 63,514
(20,790)	(20,026)	(18,629)	(77,860)	(67,745)	(63,514)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 148,500	$ 143,043	$ 137,888	$ 598,923	$ 521,115	$ 488,569
14.00%	14.00%	13.51%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)
Last Four Years (1)

	2020	2019	2018	2017
Ohio Public Employees' Retirement System (OPERS)				
County's Proportion of the Net OPEB Liability	0.0594120%	0.0709820%	0.0619700%	0.0556300%
County's Proportionate Share of the Net OPEB Liability	$ 8,206,373	$ 9,254,377	$ 6,729,485	$ 5,618,819
County's Covered Payroll	$ 10,138,277	$ 9,887,382	$ 8,451,592	$ 7,410,880
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	80.94%	93.60%	79.62%	75.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%
State Teachers Retirement System (STRS)				
County's Proportion of the Net OPEB Liability (Asset)	0.00149524%	0.00144003%	0.00139863%	0.00134880%
County's Proportionate Share of the Net OPEB Liability (Asset)	$ (26,279)	$ (23,850)	$ (22,475)	$ 52,626
County's Covered Payroll	$ 150,343	$ 169,279	$ 159,000	$ 148,286
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.48%	-14.09%	-14.14%	35.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	182.10%	174.70%	176.00%	47.11%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Monroe County, Ohio
Required Supplementary Information
Schedule of the County's Contributions - OPEB
Last Ten Years

	2020	2019	2018	2017
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ 0	$ 54	$ 2,289	$ 84,639
Contributions in Relation to the Contractually Required Contribution	0	(54)	(2,289)	(84,639)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll (1)	$ 8,424,414	$ 10,138,277	$ 9,887,382	$ 8,451,592
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.02%	1.00%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
County's Covered Payroll	$ 192,642	$ 150,343	$ 187,807	$ 149,079
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012	2011
$ 148,217	n/a	n/a	n/a	n/a	n/a
(148,217)	n/a	n/a	n/a	n/a	n/a
$ 0	n/a	n/a	n/a	n/a	n/a
$ 7,410,880	n/a	n/a	n/a	n/a	n/a
2.00%	n/a	n/a	n/a	n/a	n/a
$ 0	$ 0	$ 586	$ 5,989	$ 5,211	$ 4,886
0	0	(586)	(5,989)	(5,211)	(4,886)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 148,500	$ 143,043	$ 137,888	$ 598,923	$ 521,115	$ 488,569
0.00%	0.00%	0.43%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

For fiscal year 2019, the single discount rate changed from 7.50 percent to 7.20 percent.

Amounts reported in calendar year 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00 percent to 7.50 percent
- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

Changes in Benefit Terms – OPERS

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from three percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

Changes in Assumptions – STRS

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

Effective July 1, 2017, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

For calendar year 2020, the following changes were made to the actuarial assumptions:

- Discount rate from 3.96 percent to 3.16 percent
- Municipal bond rate from 3.71 percent to 2.75 percent
- Health Care Cost Trend Rate from 10.00 percent to 10.50 percent

For calendar year 2019, the following changes were made to the actuarial assumptions:

- Discount rate from 3.85 percent to 3.96 percent
- Investment rate of return from 6.50 percent to 6.00 percent
- Municipal bond rate from 3.31 percent to 3.71 percent
- Health Care Cost Trend Rate from 7.50 percent to 10.00 percent

For calendar year 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Benefit Terms – OPERS

No significant changes in benefit terms.

Changes in Assumptions – STRS

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for 2017 and changed for 2018 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For 2017, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

For 2020, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

MONROE COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program/Cluster Title**	**Federal CFDA Number**	**Pass-Through Entity Indentifying Number**	**Passed Through To Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Ohio Department of Jobs and Family Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5968	$0	$129,224
Total SNAP Cluster			0	129,224
Passed Through Ohio Department of Natural Resources				
Forest Service Schools and Road Cluster:				
Schools and Roads - Grants to States	10.665	N/A	16,171	32,341
Total Forest Service Schools and Road Cluster			16,171	32,341
Direct from U.S. Department of Agriculture				
Community Facilities Loans and Grants Cluster:				
Community Facilities Loans and Grants	10.766	N/A	0	297,000
Total Community Facilities Loans and Grants Cluster				297,000
Total U.S. Department of Agriculture			16,171	458,565
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Ohio Development Services Agency/ Office of Community Development				
Community Development Block Grant/State's Program:	14.228			
Community Development Program		B-F-18-1BZ-1	0	119,128
Community Development Program		B-D-19-1BZ-1	0	24,600
Community Development Program		B-F-20-1BZ-1	0	35,261
Community Development Program		B-C-19-1BZ-1	0	43,012
Total Community Development Block Grant/State's Program			0	222,001
Home Investment Partnerships Program:				
Community Housing Impact and Preservation Program	14.239	B-C-19-1BZ-2	0	126,244
Total U.S. Department of Housing and Urban Development			0	348,245
U.S. DEPARTMENT OF THE INTERIOR				
Passed through Ohio Department of Natural Resources				
Payment in Lieu of Taxes	15.226	N/A	0	25,359
National Forest Acquired Lands	15.438	N/A	22,607	45,215
Total U.S. Department of the Interior			22,607	70,574
U.S. DEPARTMENT OF LABOR				
Passed Through Ohio Valley Employment Resource (Workforce Investment Act Area 15)				
Workforce Innovation and Opportunity (WIOA) Cluster:				
WIOA Adult Program	17.258	N/A	0	32,672
WIOA Youth Activities	17.259	N/A	35,556	46,075
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	137,536
Total WIOA Cluster			35,556	216,283
Total U.S. Department of Labor			35,556	216,283
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Ohio Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PID-111054	0	566
		PID-111061	0	1,330
Total Highway Planning and Construction Cluster			0	1,896
Formula Grants for Rural Areas	20.509	112-RPTF-19-0100	0	55,485
Formula Grants for Rural Areas		112-RPTF-20-0100	0	46,922
Formula Grants for Rural Areas - COVID-19		CARE-4112-024-201	0	232,964
Total Formula Grants for Rural Areas			0	335,371
Total U.S. Department of Transportation			0	337,267

MONROE COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program/Cluster Title	Federal CFDA Number	Pass-Through Entity Indentifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Office of Budget and Management				
Covid-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	$0	$894,166
Passed Through Ohio Department of Education				
Covid-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	0	3,307
Total U.S. Department of Treasury			0	897,473
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027	066142-6BSF-2020	0	10,158
Total Special Education Cluster (IDEA)			0	10,158
COVID-19 Education Stabilization Fund Program Governor's Emergency Education Relief Fund	84.425C	S425C200040	0	14,025
Passed Through Ohio Department of Developmental Disabilities				
Special Education-Grants for Infants and Families	84.181	n/a	0	17,591
Total U.S. Department of Education			0	41,774
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State				
Help America Vote Act - Election Security Grant	90.404	2019	0	32,256
		2020	0	18,109
		n/a	0	1,560
CARES Help America Vote Act - Election Security Grant		n/a	0	28,980
Total U.S. Election Assistance Commission			0	80,905
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Mental Health and Addiction Services				
Promoting Safe and Stable Families	93.556	5AU-20-C0056	0	14,486
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5AU-20-C0056	0	1,790
Passed Through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	FY20TXXC056	0	13,378
Passed through Ohio Department of Jobs and Family Services				
Promoting Safe and Stable Families	93.556	G-2021-11-5968	0	4,866
TANF Cluster				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-2021-11-5968	346,819	871,043
Total TANF Cluster			346,819	871,043
Child Support Enforcement	93.563	G-2021-11-5968	0	155,992
CCDF Cluster				
Child Care and Development Block Grant	93.575	G-2021-11-5968	0	9,541
Total CCDF Cluster			0	9,541
Foster Care-Title IV-E:				
Foster Care Title IV-E Administration	93.658	G-2021-11-5968	0	23,372
Foster Care Title IV-E		G-2021-11-5968	0	144,025
Foster Care Title IV-E		G-2021-06-0076	0	24,898
Foster Care Title IV-E		G-2021-06-0076	0	139,536
Total Foster Care Title IV-E			0	331,831
Adoption Assistance Administration	93.659	G-2021-11-5968	0	32,818
Social Services Block Grant	93.667	G-2021-11-5968	15,482	123,485
Chafee Foster Care Indpendence Program	93.674	G-2021-11-5968	0	4,353
Children's Health Insurance Program	93.767	G-2021-11-5968	0	10,647
Medicaid Cluster				
Medical Assistance Program	93.778	G-2021-11-5968	94,459	264,880
Total Medicaid Cluster			94,459	264,880
Total U.S. Department of Health and Human Services			456,760	1,839,110
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA-DR-4360-OH	0	257,869
Disaster Grants - Public Assistance		FEMA-DR-4424-OH	0	3,017,423
Total Disaster Grants - Public Assistance			0	3,275,292
Emergency Management Performance Grants:				
FY19 Emergency Management Performance Grants	97.042	EMC-2019-EP-00005	0	26,312
Total Emergency Management Performance Grants			0	26,312
Total U.S. Department of Homeland Secutiry			0	3,301,604
Total Expenditures of Federal Awards			**$531,094**	**$7,591,800**

The accompanying notes are an integral part of this Schedule.

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

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

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

NOTE E - MATCHING REQUIREMENTS

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

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OHIO AUDITOR OF STATE
KEITH FABER

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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*

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Ohio (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 16, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County. We also noted the County adopted new accounting guidance in Governmental Accounting Standards Board Statement 84, *Fiduciary Activities.*

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2020-002 and 2020-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclose an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2020-001.

County's Responses to Findings

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

Purpose of this Report

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2021

OHIO AUDITOR OF STATE
KEITH FABER

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

Monroe County
101 North Main Street
Woodsfield, Ohio 43793

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

The County's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying Schedule of Findings as item 2020-004.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2021

MONROE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	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):** • CFDA #21.019 – COVID-19 Coronavirus Relief Fund • CFDA #97.036 – Disaster Grants-Public Assistance • CFDA #93.778 – Medicaid Cluster	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2020-001

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. No appropriation measure shall become effective until the county auditor files 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.

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

FINDING NUMBER 2020-001 (Continued)

Noncompliance – Ohio Rev. Code § 5705.39 (Continued)

At December 31, 2020 the County's appropriations exceeded the amount certified as available by the budget commission in the Developmental Disabilities (Fund 120) and Federal Emergency Management Agency (Fund 176) Funds by $538,497 and $71,570, 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 111.

FINDING NUMBER 2020-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

We noted the following errors:

- Gas and Oil road repair reimbursements in the amount of $1,037,111 were posted to Intergovernmental Revenue instead of Other Revenue in the Maintenance Fund.
- Intergovernmental Revenue and Public Works Expenditures in the Federal Emergency Management Agency (FEMA) Fund were overstated by $533,475 due to the GAAP Compiler incorrectly including prior year Ohio Public Works Commission (OPWC) activity during the GAAP compilation.
- Contracts Payable and Public Works Expenditure was overstated by $339,849 in the FEMA Fund.
- Maintenance Fund Motor Vehicle License and Gas Tax receivables in the amount of $376,547 were recorded as unavailable revenue and should have been revenue.

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

FINDING NUMBER 2020-002 (Continued)

Material Weakness (Continued)

- Engineer equipment bonds of $197,000 were recorded as Intergovernmental Revenue instead of Sale of Notes in the USDA Loan and Grant Fund. In addition, the GAAP compiler did not record the debt associated with the bonds in the amounts of $179,100 and $17,900 in Due in More Than One Year and Due Within One Year, respectively, in Government Type Activities.

The adjustments noted above, with which management agrees, are reflected in the accompanying financial statements.

The County did not have internal control procedures in place to determine amounts were posted to the accurate classification.

The County should utilize available authoritative resources to ensure the financial statements accurately classify and record all receipt and expenditure transactions and appropriately compile receivable/payable transactions at year-end.

Officials' Response: See Corrective Action Plan on page 111.

FINDING NUMBER 2020-003

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the County and the appropriation ledger provides the process by which the County controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

Approved appropriations and estimated resources presented on the Budgetary Statements did not agree to those approved by the Board and County Budget Commission.

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

FINDING NUMBER 2020-003
(Continued)

Material Weakness (Continued)

The original appropriations approved by the Board did not agree to those presented on the Budgetary Statements for the following fund:

Fund	Original Approved Appropriations	Original Appropriations per Budgetary Statements	Variance
Developmental Disabilities	$3,309,964	$2,584,000	($725,964)

The final appropriations approved by the Board did not agree to those presented on the Budgetary Statements for the following funds:

Fund	Final Approved Appropriations	Final Appropriations per Budgetary Statements	Variance
Developmental Disabilities	$5,286,612	$4,544,555	($742,057)
Federal Emergency Management Agency	5,860,467	5,408,284	(452,183)

The original certificate and amendments establish the amounts available for expenditures for the County and the receipts ledger provides the process by which the County controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The original estimated receipts per the Certificate of Estimated Resources did not agree to those presented on the Budgetary Statement for the following fund:

Fund	Original Estimated Receipts per Official Certificate	Original Estimated Receipts per Budgetary Statements	Variance
Developemental Disabilities	$3,395,000	$2,584,000	($811,000)

Adjustments, with which management agrees, were made to the accompanying Budgetary Statements.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

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

FINDING NUMBER 2020-003
(Continued)

Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the County should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The County should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers and reflected in the Budgetary Statements.

Officials' Response: See Corrective Action Plan on page 111.

3. FINDING FOR FEDERAL AWARDS

Approval of Expenditure Allowability

Finding Number:	**2020-004**
CFDA Number and Title:	**CFDA #21.019 COVID-19 Coronavirus Relief Fund**
Federal Award Identification Number / Year:	**2020**
Federal Agency:	**U.S. Department of Treasury**
Compliance Requirement:	**Allowable Activities and Cost Principles**
Pass-Through Entity:	**Ohio Office of Budget and Management**
	Ohio Department of Education
Repeat Finding from Prior Audit?	**No**

Significant Deficiency

The department head signs or initials invoices/vouchers to indicate the expenditures are allowable activities/costs of the Coronavirus Relief Fund federal grant.

Due to a breakdown in internal controls over disbursements, the department head did not sign or initial invoices/vouchers to indicate approval of 22% of expenditures tested from the Coronavirus Relief Fund grant. As a result, Coronavirus Relief Fund grant monies could be used for unallowable activities or unallowable costs. However, these expenditures were approved by the County Commissioners who are familiar with grant requirements which may help mitigate the risk of unallowable expenditures being made.

The County should take the necessary steps to ensure that invoices/vouchers are reviewed and approved, as indicated by the signature or initials of the approving department head, for grant expenditures to ensure they are allowable activities/allowable costs of the Coronavirus Relief Fund grant.

Officials' Response: See Corrective Action Plan on page 111.

MONROE COUNTY COMMISSIONERS
101 N. Main Street - Room 34 Woodsfield, OH 43793 Telephone: (740) 472-1341 Fax: (740) 472-5156

Mick Schumacher, President
Bill Bolon, Vice President
Diane Burkhart

Sheila Turner, Clerk
Audrey Lydick, Deputy Clerk

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code § 5705.39 – The County had appropriations exceeding estimated resources	Not corrected	The County has been running and will continue to run more frequent reports detailing appropriations versus estimated revenue and communicate issues to affected departments.
2019-002	Ohio Rev. Code § 5705.41(B) – The County had expenditures exceeding appropriations.	Corrected	
2019-003	Material Weakness regarding posting errors	Not corrected	The County will implement more internal controls as well as implement upgraded software capabilities to prevent errors.
2019-004	2 CFR § 200.510(b) – Schedule of Federal Awards errors	Partially Corrected	The County will continue to work with departments to ensure that all federal awards are being reported accurately.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020

Finding Number:	2020-001
Planned Corrective Action:	The County will do more frequent reporting to compare appropriations versus estimated revenue, and do further verification that requested additional appropriations are required.
Anticipated Completion Date:	December 31, 2021
Responsible Contact Person:	Denise Stoneking, Auditor

Finding Number:	2020-002
Planned Corrective Action:	The County will work more closely with the company preparing the financial statements to ensure that miscategorizations do not continue to occur. The County will also more thoroughly question departments regarding any on behalf of payments.
Anticipated Completion Date:	December 31, 2021
Responsible Contact Person:	Denise Stoneking, Auditor

Finding Number:	2020-003
Planned Corrective Action:	The County will make sure that financial statements are completed timely enough to allow for more thorough review and refining before filing.
Anticipated Completion Date:	December 31, 2021
Responsible Contact Person:	Denise Stoneking, Auditor

Finding Number:	2020-004
Planned Corrective Action:	Vouchers for federal relief funds will indicate by signature that expenditures have been vetted to determine that they are proper.
Anticipated Completion Date:	December 31, 2021
Responsible Contact Person:	Denise Stoneking, Auditor

OHIO AUDITOR OF STATE
KEITH FABER

MONROE 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 11/30/2021