PIKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT
Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Commissioners
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

We have reviewed the *Independent Auditor's Report* of Pike County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery #1 – Repaid Under Audit

Credit Cards
Ohio Rev. Code § 2913.21(A)(3) states no person shall as an officer, employee, or appointee of a political subdivision or as a public servant as defined under section 2921.01 of the Revised Code, knowingly misuse a credit card account held by a political subdivision.

***State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit are to serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

For the period of March 11, 2019 through June 12, 2021, we identified five credit card transactions totaling $382 made by Pike County Auditor, Kayla Slusher which were not for a proper public purpose. Four of the transactions totaling $233 were for personal travel expenses when Ms. Slusher was in Florida. The fifth transaction we identified was for overnight lodging from June 8 through June 10, 2021, while she was supposed to attend the County Auditors' Association of Ohio Conference. We confirmed Ms. Slusher did not attend the final day of the conference on June 11, 2021. Therefore, Ms. Slusher's hotel stay the night of June 10, 2021 totaling $149 was a personal expense and not a proper public purpose.

Finding for Recovery #1 – Repaid Under Audit (continued)

Payroll
Ohio Rev. Code § 325.03 states each county auditor shall be classified, for salary purposes, according to the population of the county.

Ohio Rev. Code § 5731.41 states to enforce section 5731.39 of the Revised Code, and to administer Chapters 5713 and 4503 of the Revised Code the tax commissioner may appoint agents in the unclassified civil service who shall perform such duties as are prescribed by the commissioner. Such agents shall, as compensation, receive annually eight cents per capita for each full one thousand of the first twenty thousand of the population of the county and two cents per capita for each full one thousand over twenty thousand of the population of the county, as shown by the 2010 federal census, which shall be paid in equal monthly installments from the undivided inheritance or estate tax fund in the county treasury on the warrant of the county auditor or, if the balance of that fund is not sufficient to make such payments, from the county real estate assessment fund pursuant to division (B)(6) of section 325.31 of the Revised Code, any other provision of law to the contrary notwithstanding. The amount paid to any agent in the unclassified service for all of the duties performed under this section, as directed by the commissioner, shall not exceed three thousand nor be less than twelve hundred dollars in any calendar year.

Per the United States Census Bureau, the population of Pike County was 28,709 as of April 1, 2010. Based on Pike County's population the authorized salary in 2020 for the Pike County Auditor was $70,660. Additionally, the Pike County Auditor was authorized to receive $1,760 to perform duties related to **Ohio Rev. Code § 5731.41**.

For calendar year 2020, Ms. Slusher was paid $74,647 resulting in her being overpaid by $2,227.

On June 9, 2022, Ms. Slusher pled guilty to one count of Theft in Office, a felony of the fifth degree (Ohio Rev. Code 2921.41(A)(1)), in Pike County Court of Common Pleas case #2022 CR000017. She was sentenced to 11 months in prison (suspended), placed on community control for one year, and ordered to make restitution totaling $149. Ms. Slusher also stepped down as the Pike County Auditor effective the date of her sentencing.

Finding for Recovery Conclusion
In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28,** a finding for recovery for public property converted or misappropriated is hereby issued against Kayla Slusher in the amount of $2,609 and in favor of the County's General Fund and Real Estate Assessment Fund totaling $2,124 and $485, respectively.

On February 8 and March 9, 2021, Ms. Slusher made two payments totaling $233 to the Pike County Treasurer's Office to reimburse the County for personal expenses made in Florida. On November 12, 2021, Ms. Slusher made a payment in the amount of $2,227 to the Pike County Treasurer's Office for the payroll overpayment. On June 9, 2022, Ms. Slusher made a payment in the amount of $149 for the personal hotel expenses to the Pike County Treasurer's Office resulting in the full repayment of the finding for recovery against Ms. Slusher.

Finding for Recovery #2

Ohio Rev. Code § 325.071 provides an amount annually to the Sheriff for expenses the Sheriff incurs in the performance of the Sheriff's official duties in the furtherance of justice. Auditor of State Technical Bulletin 97-014 provides areas in which expenses made with monies from this fund are proper.

***State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit are to serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Section 19.09 of the Pike County Sheriff's Office Personnel Policy and Procedures manual related to credit cards states, in part, "Credit/Procurement cards, pursuant to Chapter 301 ORC are utilized pursuant to statute, and may be used only as directly approved by the Sheriff. No late charges or finance charges shall be allowed, unless authorized by the Pike County Board of Commissioners, pursuant to statute. A receipt, invoice, order form or the like, or a written summary if no receipt may be obtained, detailed as to the content of the order and the charge amount, signed by the officer placing the order, shall be provided to the Sheriff or his designee immediately upon each use of all credit/procurement cards."

During the period of January 1, 2016 through December 31, 2018, we identified expenditures that were paid with FOJ funds and were not allowable to be paid with these funds because they were not incurred in the performance of the officer's official duties, were not for the furtherance of justice and did not serve a proper public purpose. These expenditures included the following:

- Late fees and finance charges totaling $369 for a Pike County Sheriff's Office (PCSO) credit card;

- Travel insurance totaling $92 for PCSO employees wives that accompanied officers to Reno, NV for the National Sheriff's Association conference in June 2017;

- Travel costs totaling $193 for PCSO employees wives that accompanied officers to New Orleans, LA for the National Sheriff's Association conference in June 2018;

- 46 meals at a PCSO employee retirement party totaling $929 for individuals that were not a PCSO employee, spouse, or family member of a PCSO employee; and

- 17 credit card transactions totaling $641 with no supporting documentation.

Finding for Recovery #2 (continued)

In addition, we identified three credit card payments made by the PCSO using FOJ funds and there was no documentation to identify a portion of the payments totaling $356 and as a result we were unable to determine if this portion of the payments was for the furtherance of justice and for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former PCSO Sheriff, Charles Reader, and his bonding company, The Ohio Casualty Insurance Company, jointly and severally, in the amount of $2,580, and in favor of the County's General Fund.

Finding for Recovery #3 – Repaid Under Audit

Ohio Revised Code 325.11(A) provides that the 2020 compensation for a prosecuting attorney, without a private practice, in a county having a population of 55,000 or less, and whose term started before December 27, 2018, is $126,577.

Ohio Const. Art. II, § 20 prohibits a public officer from receiving an in-term increase in salary that results from a change by the General Assembly to the compensation scheme or compensation rates of Ohio Rev. Code § 325.11(A) during the public officer's term.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code §9.39; *Cordray v. Internatl. Preparatory School,* 123 Ohio St.3d50 (210).

The Ohio Constitution generally prohibits in-term compensation changes for non-judicial elected officials. For commissioners and other county elected officials in office prior to December 27, 2018, will not be able to receive pay adjustments included in S.B.296 until their next term of office begins after December 27, 2018.

Pike County Prosecuting Attorney Robert Junk's term of office is January 4, 2017 through January 3, 2021. During 2020, Robert Junk, was paid $128,792, however, the allowable salary for a county prosecuting attorney in a county having a population 55,000 or less and, whose term began prior to December 27, 2018 is $126,577. This resulted in a salary overpayment in the amount of $2,215.

Kayla Slusher, Pike County Auditor was responsible for the calculation and salary payment of the Prosecuting Attorney.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Robert Junk, Pike County Prosecuting Attorney, and his bonding company American States Insurance Company and County Auditor Kayla Slusher and her bonding company Ohio Casualty Insurance Company, jointly and severally, in the amount of two thousand, two hundred and fifteen dollars of the General Fund, of Pike County.

On March 17, 2022, Pike County received a check in the amount of $2,215 from Robert Junk for repayment of the finding for recovery.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2022

This page intentionally left blank.

Pike County Financial Condition
Table of Contents
For the Year Ended December 31, 2020

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Commissioners
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

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 Pike 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

Opinions

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 Pike County, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Motor Vehicle Gas Tax Fund, Board of Developmental Disabilities Fund, and Job and Family Services Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

As discussed in note 25 to the financial statements, during fiscal year 2020, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. The 2020 financial statements have been restated due to this implementation. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of the County's proportionate share of the net pension and OPEB liabilities/(assets), and the schedule of County contributions on pages 77 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Award (the Schedule) 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* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Millhuff-Stang CPA Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 1, 2022

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

Financial Highlights

Key financial highlights for 2020 are as follows:

- The County's net position increased $2,170,063, as a result of this year's operations. Net position of our business-type activities decreased $186,850, and net position of our governmental activities increased $2,356,913.
- General revenues for governmental activities accounted for $12,873,383 in revenue or 34.86 percent of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants, contributions, and interest accounted for $24,052,652 or 65.14 percent of total revenues of $36,926,035.
- The County had $34,569,112 in expenses related to governmental activities; $24,052,652 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, 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. These statements include all assets, liabilities, and deferred outflows and inflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it informs the reader whether, for the County as a whole, the financial position of the County is as strong as it once was. This is the result of many factors, some of which the County can control and some of which it cannot. Non-controllable financial factors include rising insurance costs, workers compensation costs, declining consumption based tax revenues due to the state and federal economic downturn, low rates of return on investments, revenue cuts, and the restriction of revenue growth due to the political culture at the state and national levels. In addition, unfunded mandated programs are still problematic in all counties as are many other specific causative factors in which local government has little control over.

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

- Governmental Activities - Most of the County's programs and services are reported here including public safety, public works, health, human services, conservation and recreation, economic development and assistance, legislative and executive, and judicial.
- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Pike County sewer fund is reported as a business-type activity.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, motor vehicle gasoline tax fund, board of developmental disabilities fund, and job and family services fund.

Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County operations. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements. The County uses an enterprise fund to account for its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Specifically, the internal service funds account for the health reimbursement account program for employees of the County.

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

The County as a Whole

Government-Wide Financial Analysis

You may recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position at December 31, 2020 and 2019:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019*	2020	2019*
Assets						
Current and Other Assets	$36,287,557	$31,827,273	$942,362	$655,338	$37,229,919	$32,482,611
Capital Assets, Net	38,229,777	37,278,255	6,873,525	7,106,580	45,103,302	44,384,835
Total Assets	74,517,334	69,105,528	7,815,887	7,761,918	82,333,221	76,867,446
Deferred Outflows	4,113,322	8,171,119	48,013	104,111	4,161,335	8,275,230
Liabilities						
Current and Other Liabilities	3,398,382	1,195,210	709,651	473,161	4,108,033	1,668,371
Long-Term Liabilities						
Due Within One Year	1,478,805	1,666,134	13,624	14,960	1,492,429	1,681,094
Other Amounts Due in More Than One Year	8,970,734	9,115,118	258,532	255,564	9,229,266	9,370,682
Net Pension Liability	15,301,083	23,664,118	176,531	285,301	15,477,614	23,949,419
Net OPEB Liability	9,859,563	10,472,634	116,724	128,271	9,976,287	10,600,905
Total Liabilities	39,008,567	46,113,214	1,275,062	1,157,257	40,283,629	47,270,471
Deferred Inflows	11,261,461	5,159,718	80,008	13,092	11,341,469	5,172,810
Net Position						
Net Investment in Capital Assets	28,943,049	27,724,865	6,616,792	6,848,902	35,559,841	34,573,767
Restricted	18,705,930	17,867,558	0	0	18,705,930	17,867,558
Unrestricted (Deficit)	(19,288,351)	(19,588,708)	(107,962)	(153,222)	(19,396,313)	(19,741,930)
Total Net Position	$28,360,628	$26,003,715	$6,508,830	$6,695,680	$34,869,458	$32,699,395

*As restated. See note 25 of the notes to the basic financial statements for additional information.

The net pension liability (NPL) and other postemployment benefits (OPEB) liability are the largest liabilities reported by the County at December 31, 2020 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 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 and the net OPEB liability (asset) to equal the County's proportionate share of each plan's collective:

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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 balances 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 and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

For governmental activities, the increase in current and other assets is primarily due to increases in cash and cash equivalents and property taxes receivable. Capital assets, net increased due to acquisitions in excess of depreciation and disposals. Current and other liabilities for governmental activities increased primarily as a result of an increase in contracts payable. Long-term liabilities in the governmental activities decreased due to decreases in the net pension and OPEB liabilities and due to principal payments on long-term debt. Deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

Business-type activities in 2020 had increases in cash and cash equivalents. Capital assets, net decreased due to depreciation. Current and other liabilities of business-type activities increased due to an increase in accounts payable. Long-term liabilities in the business-type activities decreased due to decreases in the net pension and OPEB liabilities and due to principal payments on long-term debt. Deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

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

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019*	2020	2019*
Revenues						
Program Revenues:						
Charges for Services and Sales	$5,566,379	$4,758,145	$695,318	$611,559	$6,261,697	$5,369,704
Operating Grants, Contributions, and Interest	16,975,570	15,046,723	0	0	16,975,570	15,046,723
Capital Grants, Contributions, and Interest	1,510,703	999,728	0	0	1,510,703	999,728
Total Program Revenues	24,052,652	20,804,596	695,318	611,559	24,747,970	21,416,155
General Revenues:						
Property, Sales, and Other Local Taxes and Payments in Lieu of Taxes	9,921,546	8,533,760	0	0	9,921,546	8,533,760
Grants and Entitlements	1,358,703	1,134,720	0	0	1,358,703	1,134,720
Investment Earnings	479,063	308,844	0	0	479,063	308,844
Other	1,114,071	1,498,071	9,126	11,001	1,123,197	1,509,072
Total General Revenues	12,873,383	11,475,395	9,126	11,001	12,882,509	11,486,396
Total Revenues	36,926,035	32,279,991	704,444	622,560	37,630,479	32,902,551
Program Expenses						
General Government:						
Legislative and Executive	5,466,400	7,919,422	0	0	5,466,400	7,919,422
Judicial	2,083,774	2,271,124	0	0	2,083,774	2,271,124
Public Safety	4,727,195	6,476,993	0	0	4,727,195	6,476,993
Public Works	7,785,466	4,875,843	0	0	7,785,466	4,875,843
Health	4,817,453	5,638,984	0	0	4,817,453	5,638,984
Human Services	7,858,952	8,389,063	0	0	7,858,952	8,389,063
Conservation and Recreation	788	36,661	0	0	788	36,661
Economic Development and Assistance	1,450,128	1,560,297	0	0	1,450,128	1,560,297
Intergovernmental	29,297	0	0	0	29,297	0
Interest and Fiscal Charges	345,669	150,493	0	0	345,669	150,493
Issuance Costs	4,000	0	0	0	4,000	0
Pike County Sewer	0	0	891,294	503,254	891,294	503,254
Total Expenses	34,569,122	37,318,880	891,294	503,254	35,460,416	37,822,134
Change in Net Position	2,356,913	(5,038,889)	(186,850)	119,306	2,170,063	(4,919,583)
Net Position at Beginning of Year	26,003,715	31,042,604	6,695,680	6,576,374	32,699,395	37,618,978
Net Position at End of Year	$28,360,628	$26,003,715	$6,508,830	$6,695,680	$34,869,458	$32,699,395

*As restated. See note 25 of the notes to the basic financial statements for additional information.

Governmental Activities

The increase in charges for services and sales is the result of an increase in central coordination and Medicaid administrative claims receipts as well as reimbursements from area school districts for teachers' aides. These revenues further increased due to an increase in election expenses received from subdivisions within the County, in auditor conveyance fees, in auditor and treasurer tax collection fees, and in various sheriff's fees. Operating grants, contributions, and interest increased due to the receipt of approximately $1.6 million in coronavirus relief funds from the local government assistance program with an additional $151,193 coming from the Supreme Court's COVID-19 remote technology grant. The County also received approximately $675,000 in additional gasoline tax monies in 2020. Further, the County received some remote technology grant funds from the Ohio Supreme Court and also received a significant increase in funding from the state for the children's services program. These increases were partially offset by a decrease in funding received from the state for the board of developmental disabilities due to suspension of programs during the COVID-19 pandemic during much of 2020. Capital grants, contributions, and interest increased due to a significant increase in receivables due from grantors for road and bridge projects as compared to the prior year. Property taxes increased between years for various reasons, including an increase in cash collections between years and an increase in delinquencies. Miscellaneous revenues decreased between years due to the review and reclassification of revenues received in certain special revenue, debt service, and capital projects funds that more accurately reflect the sources and purposes of those funds.

Total expenses of governmental activities decreased $2,749,758. Expenses recognized related to net pension and OPEB activity during the year totaled $857,299, compared to $5,060,260 recognized in the prior year. This resulted in a decrease between years of $4,202,961. Most of the expense related to net pension and OPEB activity is actuarially determined and provided to the County based on the County's proportionate share of its contributions to the respective retirement systems as compared to total contributions received from all participants in those retirement systems. Backing this change out of the total change in expenses for the County, the resulting change is an increase of $1,453,203. $1.7 million of this is a result of the spending of coronavirus relief funds.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions, and interest offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019*
General Government:				
Legislative and Executive	$5,466,400	$7,919,422	$3,495,650	$6,209,008
Judicial	2,083,774	2,271,124	1,190,926	1,756,266
Public Safety	4,727,195	6,476,993	2,329,024	5,272,218
Public Works	7,785,466	4,875,843	(428,370)	(1,564,628)
Health	4,817,453	5,638,984	1,931,417	2,285,538
Human Services	7,858,952	8,389,063	1,242,761	2,022,726
Conservation and Recreation	788	36,661	678	36,661
Economic Development and Assistance	1,450,128	1,560,297	516,789	346,002
Intergovernmental	29,297	0	29,297	0
Interest and Fiscal Charges and Issuance Costs	349,669	150,493	208,298	150,493
Total Expenses	$34,569,122	$37,318,880	$10,516,740	$16,514,284

*As restated. See note 25 of the notes to the basic financial statements for additional information.

The County is dependent upon tax revenues for the funding of governmental activities. The majority of public safety and general government expenses are supported through taxes and other general revenues. For all governmental activities, tax revenue generated by the community is by far the primary support for the County.

Business-Type Activities

Business-type activities include the Pike County sewer fund. This program had total revenues of $704,444 and expenses of $891,294 for 2020. As previously discussed, management reviews the operations and fees and sets the user fee structure. Business-type activities generally receive no support from tax revenues.

The County's Funds

Information about the County's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $37,316,606 and expenditures and other financing uses of $35,722,694. The net change in fund balance for the year was most significant in the general fund, which increased $2,080,460. The County experienced significant increases in revenues as well as decreases in expenditures in this fund, resulting in the large increase in fund balance. The County's property taxes, charges for services, and intergovernmental revenues increased, as noted in the discussion above following table 2. The County experienced decreases in personnel costs due to restricted hours worked during the COVID-19 pandemic. The sheriff's office also had a decrease in expenditures for prisoner housing costs.

The motor vehicle gasoline tax fund had an increase in fund balance in the amount of $152,056 primarily due to a decrease in expenditures. The board of developmental disabilities fund had a decrease of $29,689 due to decreases in grant revenues, which was partially offset by an increase in charges for services in addition to a decrease in expenditures due to reduced personnel costs. The job and family services fund had a decrease of $346,048 in due to a decrease in intergovernmental revenues while expenditures remained fairly consistent between years.

General Fund Budgeting 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. The most significant budgeted fund is the general fund.

During the course of 2020, the County amended its general fund budget numerous times. The County uses department-based budgeting, and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the general fund, original budget basis revenues were $8,721,325. The final budget of $7,957,677, which was a $763,648, below original estimates. Actual budget basis revenues were $10,536,875, which was $2,579,198 above final estimates, due primarily to higher than expected sales taxes and intergovernmental revenues. Original budget basis expenditures were $8,703,713. Final budget basis expenditures were $9,275,962, above original estimates by $572,249, due mainly to increases in legislative and executive, judicial, and capital outlay expenditures. Actual expenditures, totally $8,417,355, were monitored closely and resulted in lower than expected spending primarily for legislative and executive and public safety expenditures.

The County's ending unobligated general fund cash balance was $3,454,473 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2020, the County had $45,103,302 invested in land, construction in progress, furniture and fixtures, buildings and improvements, machinery and equipment, vehicles, and infrastructure, of which $38,229,777 was in governmental activities. Table 4 shows balances as of December 31, 2020 and 2019.

Table 4
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$1,844,261	$1,684,691	$7,000	$7,000	$1,851,261	$1,691,691
Construction in Progress	793,275	498,530	0	0	793,275	798,530
Furniture and Fixtures	33,771	39,486	0	0	33,771	39,486
Buildings and Improvements	4,985,284	5,360,419	196,304	203,989	5,181,588	5,564,408
Machinery and Equipment	711,611	706,489	28,640	34,710	740,251	741,199
Vehicles	1,352,027	774,522	37,484	43,827	1,389,511	818,349
Infrastructure	28,509,548	28,214,117	6,604,097	6,817,055	35,113,645	35,031,172
Total Capital Assets	$38,229,777	$37,278,254	$6,873,525	$7,106,581	$45,103,302	$44,384,835

See note 11 of the notes to the basic financial statements for more information on the County's capital assets.

Debt

As of December 31, 2020, the County had $9,457,446 in bonds and loans outstanding, with $607,010 of this long-term debt due within one year. Table 5 summarizes long-term bonds and loans outstanding.

Table 5
Long-Term Debt Obligations at Year-End

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
OPWC Loans	$5,963,938	$5,923,134	$0	$0
OWDA Loans	3,375	5,625	256,733	257,678
USDA Loans/Bonds	510,900	592,100	0	0
Revenue Bonds	1,833,000	1,978,200	0	0
General Obligation Bonds	889,500	992,900	0	0
Total Debt Obligations	$9,200,713	$9,491,959	$256,733	$257,678

The County also had a short-term note payable in the amount of $46,350 outstanding at December 31, 2020.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000.

The County's legal debt margin as of December 31, 2020 is $1,830,947.

See notes 17 and 18 of the notes to the basic financial statements for more information regarding the County's debt.

For the Future

The County is continuing to monitor its finances closely due to the tightening of finances that Pike County, and most other counties of comparable size, have experienced for the past several years. The County heavily depends on its sales tax revenue in the budgeting process. The cash position of Pike County's general fund has increased substantially in 2020 and we hope the trend continues in the future.

In conclusion, the County has committed itself to fiscal responsibility and conservative financial management for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities and resources will be needed to meet the challenges of the future as all subdivisions of local government are entrenched in the battle of increasing general operating costs, decreasing revenues, and the likelihood of sweeping tax law changes.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, contact Davida Brown, County Auditor, 230 Waverly Plaza, Suite 200, Waverly, Ohio 45690, or e-mail at davida.brown@pikecountyoh.gov or telephone at (740) 947-4125.

Pike County
Statement of Net Position
As of December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$23,084,255	$880,271	$23,964,526
Cash and Cash Equivalents in Segregated Accounts	79,209	0	79,209
Cash and Cash Equivalents with Fiscal Agents	90,238	0	90,238
Materials and Supplies Inventory	474,261	0	474,261
Accrued Interest Receivable	51,625	0	51,625
Accounts Receivable	28,162	60,665	88,827
Intergovernmental Receivable	4,901,526	0	4,901,526
Prepaid Items	146,884	1,426	148,310
Sales Tax Receivable	1,416,003	0	1,416,003
Other Local Taxes Receivable	3,459	0	3,459
Property Taxes Receivable	5,615,728	0	5,615,728
Loans Receivable (Net of Allowance)	367,917	0	367,917
Nondepreciable Capital Assets	2,637,536	7,000	2,644,536
Depreciable Capital Assets, Net	35,592,241	6,866,525	42,458,766
Net OPEB Asset	28,290	0	28,290
Total Assets	74,517,334	7,815,887	82,333,221
Deferred Outflows of Resources			
Pension	2,531,072	29,320	2,560,392
OPEB	1,582,250	18,693	1,600,943
Total Deferred Outflows of Resources	4,113,322	48,013	4,161,335
Liabilities			
Accounts Payable	699,427	702,637	1,402,064
Accrued Wages and Benefits Payable	411,246	4,863	416,109
Contracts Payable	1,919,772	0	1,919,772
Intergovernmental Payable	181,926	2,151	184,077
Matured Compensated Absences Payable	62,083	0	62,083
Accrued Interest Payable	46,889	0	46,889
Claims Payable	30,689	0	30,689
Notes Payable	46,350	0	46,350
Long-Term Liabilities:			
Due Within One Year	1,478,805	13,624	1,492,429
Due in More Than One Year:			
Other Amounts Due in More Than One Year	8,970,734	258,532	9,229,266
Net Pension Liability	15,301,083	176,531	15,477,614
Net OPEB Liability	9,859,563	116,724	9,976,287
Total Liabilities	39,008,567	1,275,062	40,283,629
Deferred Inflows of Resources			
Property Taxes Not Levied to Finance Current Year Operations	4,413,904	0	4,413,904
Pension	4,614,061	54,059	4,668,120
OPEB	2,233,496	25,949	2,259,445
Total Deferred Inflows of Resources	11,261,461	80,008	11,341,469
Net Position			
Net Investment in Capital Assets	28,943,049	6,616,792	35,559,841
Restricted for Debt Service	336,702	0	336,702
Restricted for Capital Outlay	143,563	0	143,563
Restricted for Other Purposes	17,949,030	0	17,949,030
Restricted for Unclaimed Monies	276,635	0	276,635
Unrestricted (Deficit)	(19,288,351)	(107,962)	(19,396,313)
Total Net Position	$28,360,628	$6,508,830	$34,869,458

See accompanying notes to the basic financial statements.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government:							
Legislative and Executive	$5,466,400	$1,344,120	$626,630	$0	($3,495,650)	$0	($3,495,650)
Judicial	2,083,774	392,088	500,760	0	(1,190,926)	0	(1,190,926)
Public Safety	4,727,195	1,125,962	1,272,209	0	(2,329,024)	0	(2,329,024)
Public Works	7,785,466	526,448	6,272,085	1,415,303	428,370	0	428,370
Health	4,817,453	955,892	1,834,744	95,400	(1,931,417)	0	(1,931,417)
Human Services	7,858,952	252,977	6,363,214	0	(1,242,761)	0	(1,242,761)
Conservation and Recreation	788	110	0	0	(678)	0	(678)
Economic Development and Assistance	1,450,128	827,699	105,640	0	(516,789)	0	(516,789)
Intergovernmental	29,297	0	0	0	(29,297)	0	(29,297)
Interest and Fiscal Charges	345,669	141,083	288	0	(204,298)	0	(204,298)
Issuance Costs	4,000	0	0	0	(4,000)	0	(4,000)
Total Governmental Activities	34,569,122	5,566,379	16,975,570	1,510,703	(10,516,470)	0	(10,516,470)
Business-Type Activities							
Pike County Sewer	891,294	695,318	0	0	0	(195,976)	(195,976)
Total Business-Type Activities	891,294	695,318	0	0	0	(195,976)	(195,976)
Total Primary Government	$35,460,416	$6,261,697	$16,975,570	$1,510,703	(10,516,470)	(195,976)	(10,712,446)
General Revenues							
Property Taxes Levied for:							
General Purposes					2,156,969	0	2,156,969
Public Safety					308,865	0	308,865
Health					965,125	0	965,125
Human Services					832,368	0	832,368
Sales Taxes Levied for General Purposes					5,272,318	0	5,272,318
Other Local Taxes					61,101	0	61,101
Payments in Lieu of Taxes					324,800	0	324,800
Grants and Entitlements not Restricted to Specific Programs					1,358,703	0	1,358,703
Unrestricted Investment Earnings					479,063	0	479,063
Other					1,114,071	9,126	1,123,197
Total General Revenues					12,873,383	9,126	12,882,509
Change in Net Position					2,356,913	(186,850)	2,170,063
Net Position Beginning of Year-Restated					26,003,715	6,695,680	32,699,395
Net Position End of Year					$28,360,628	$6,508,830	$34,869,458

See accompanying notes to the basic financial statements.

Pike County
Balance Sheet
Governmental Funds
As of December 31, 2020

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	$7,144,294	$3,473,246	$4,748,873	$266,815	$6,987,845	$22,621,073
Cash and Cash Equivalents in Segregated Accounts	36,336	1,036	0	0	41,837	79,209
Cash and Cash Equivalents with Fiscal Agents	0	0	78,238	0	0	78,238
Materials and Supplies Inventory	0	474,261	0	0	0	474,261
Accrued Interest Receivable	51,625	0	0	0	0	51,625
Accounts Receivable	8,296	0	0	0	19,866	28,162
Intergovernmental Receivable	316,755	2,299,197	404,269	120,761	1,760,544	4,901,526
Prepaid Items	56,467	12,803	20,921	18,716	37,977	146,884
Sales Tax Receivable	1,416,003	0	0	0	0	1,416,003
Other Local Taxes Receivable	0	0	0	0	3,459	3,459
Property Taxes Receivable	2,840,768	0	1,271,828	0	1,503,132	5,615,728
Loans Receivable (Net of Allowance)	0	0	0	0	367,917	367,917
Restricted Cash and Cash Equivalents	276,635	0	0	0	0	276,635
Total Assets	$12,147,179	$6,260,543	$6,524,129	$406,292	$10,722,577	$36,060,720
Liabilities						
Accounts Payable	$93,074	$406,452	$53,757	$26,711	$119,433	$699,427
Accrued Wages and Benefits Payable	132,252	37,420	64,567	116,397	60,610	411,246
Contracts Payable	0	490,741	0	0	1,429,031	1,919,772
Intergovernmental Payable	65,378	16,675	28,881	34,010	36,982	181,926
Matured Compensated Absences Payable	0	0	0	62,083	0	62,083
Accrued Interest Payable	0	0	0	0	956	956
Notes Payable	0	0	0	0	46,350	46,350
Total Liabilities	290,704	951,288	147,205	239,201	1,693,362	3,321,760
Deferred Inflows of Resources						
Property Taxes Not Levied to Finance Current Year Operations	2,232,814	0	999,643	0	1,181,447	4,413,904
Unavailable Revenue:						
Property Taxes	459,454	0	226,693	0	233,734	919,881
Sales Taxes	523,256	0	0	0	0	523,256
Grants and Entitlements	261,472	1,514,804	288,460	0	364,034	2,428,770
Other	551	0	0	0	0	551
Total Unavailable Revenue	1,244,733	1,514,804	515,153	0	597,768	3,872,458
Total Deferred Inflows of Resources	3,477,547	1,514,804	1,514,796	0	1,779,215	8,286,362
Fund Balances						
Nonspendable	466,506	487,064	20,921	18,716	37,977	1,031,184
Restricted	0	3,307,387	4,841,207	148,375	7,505,031	15,802,000
Unassigned (Deficit)	7,912,422	0	0	0	(293,008)	7,619,414
Total Total Fund Balance	8,378,928	3,794,451	4,862,128	167,091	7,250,000	24,452,598
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$12,147,179	$6,260,543	$6,524,129	$406,292	$10,722,577	$36,060,720

See accompanying notes to the basic financial statements.

Pike County
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
As of December 31, 2020

Total Governmental Fund Balances		$24,452,598
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.		38,229,777
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	919,881	
Sales Taxes	523,256	
Grants and Entitlements	2,428,770	
Other	551	
Total		3,872,458
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital Leases Payable	(39,665)	
Compensated Absences Payable	(1,209,161)	
Accrued Interest Payable	(45,933)	
Revenue Bonds	(1,833,000)	
USDA Loans	(257,800)	
General Obligation Bonds	(889,500)	
USDA Bonds	(253,100)	
OWDA Loan	(3,375)	
OPWC Loans	(5,963,938)	
Total		(10,495,472)
The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.		
Deferred Outflows-Pension	2,531,072	
Deferred Outflows-OPEB	1,582,250	
Net Pension Liability	(15,301,083)	
Net OPEB Asset	28,290	
Net OPEB Liability	(9,859,563)	
Deferred Inflows-Pension	(4,614,061)	
Deferred Inflows-OPEB	(2,233,496)	
Total		(27,866,591)
The internal service fund used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.		167,858
Net Position of Governmental Activities		$28,360,628

See accompanying notes to the basic financial statements.

Pike County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$2,149,859	$0	$934,531	$0	$1,138,409	$4,222,799
Sales Taxes	5,222,824	0	0	0	0	5,222,824
Other Local Taxes	0	0	0	0	61,101	61,101
Payments in Lieu of Taxes	293,771	0	18,024	0	13,005	324,800
Charges for Services	1,243,664	354,857	889,805	141,370	2,329,713	4,959,409
Fees, Licenses, and Permits	861	0	0	0	91	952
Fines and Forfeitures	225,076	17,932	0	0	209,707	452,715
Intergovernmental	1,246,561	4,611,926	1,341,592	3,233,515	9,051,404	19,484,998
Interest	389,315	3,473	0	0	1,249	394,037
Change in Fair Value of Investments	89,244	0	0	0	0	89,244
Rent	0	0	11,669	0	141,083	152,752
Contributions and Donations	0	2,304	0	0	26,575	28,879
Other	506,939	179,265	124,966	130,362	172,539	1,114,071
Total Revenues	11,368,114	5,169,757	3,320,587	3,505,247	13,144,876	36,508,581
Expenditures						
Current:						
General Government:						
Legislative and Executive	4,087,597	0	0	0	743,627	4,831,224
Judicial	1,456,051	0	0	0	560,281	2,016,332
Public Safety	2,496,001	0	0	0	1,829,017	4,325,018
Public Works	154,240	3,811,510	0	0	1,699,013	5,664,763
Health	140,915	0	3,301,889	0	1,183,192	4,625,996
Human Services	234,801	0	0	3,824,362	3,556,143	7,615,306
Conservation and Recreation	788	0	0	0	0	788
Economic Development and Assistance	0	0	0	0	1,368,281	1,368,281
Capital Outlay	421,814	816,258	7,110	21,911	2,506,650	3,773,743
Intergovernmental	0	0	0	0	29,297	29,297
Debt Service:						
Principal Retirement	13,146	211,376	1,777	5,022	346,919	578,240
Interest and Fiscal Charges	0	178,557	0	0	168,352	346,909
Issuance Costs	0	0	0	0	4,000	4,000
Total Expenditures	9,005,353	5,017,701	3,310,776	3,851,295	13,994,772	35,179,897
Excess of Revenues Over (Under) Expenditures	2,362,761	152,056	9,811	(346,048)	(849,896)	1,328,684
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	542,797	542,797
Bonds Issued	0	0	0	0	4,000	4,000
Proceeds of OPWC Loans	0	0	0	0	255,931	255,931
Inception of Capital Lease	5,297	0	0	0	0	5,297
Transfers Out	(287,598)	0	(39,500)	0	(215,699)	(542,797)
Total Other Financing Sources (Uses)	(282,301)	0	(39,500)	0	587,029	265,228
Net Change in Fund Balances	2,080,460	152,056	(29,689)	(346,048)	(262,867)	1,593,912
Fund Balances at Beginning of Year-Restated	6,298,468	3,642,395	4,891,817	513,139	7,512,867	22,858,686
Fund Balances at End of Year	$8,378,928	$3,794,451	$4,862,128	$167,091	$7,250,000	$24,452,598

See accompanying notes to the basic financial statements.

Pike County
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds		$1,593,912
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period:		
Capital Asset Additions	3,773,743	
Current Year Depreciation	(2,347,203)	
Total		1,426,540
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.		(475,018)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	40,528	
Sales Taxes	49,494	
Grants and Entitlements	326,881	
Other	551	
Total		417,454
Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		578,240
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:		
Bonds Issued	(4,000)	
Proceeds from OPWC Loans	(255,931)	
Inception of Capital Lease	(5,297)	
Total		(265,228)
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Decrease in Compensated Absences	18,701	
Increase in Accrued Interest Payable	(1,240)	
Total		17,461
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pensions	1,565,531	
Total		1,565,531
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities (assets) are reported as pension/OPEB expenses in the statement of activities.		
Pensions	(1,641,468)	
OPEB	(781,362)	
Total		(2,422,830)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds.		(79,149)
Net Change in Net Position of Governmental Activities		$2,356,913

See accompanying notes to the basic financial statements.

Pike County
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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$2,005,614	$1,830,000	$2,057,528	$227,528
Sales Taxes	4,430,828	4,042,861	5,110,619	1,067,758
Payments in Lieu of Taxes	219,193	200,000	293,771	93,771
Charges for Services	647,702	590,989	945,072	354,083
Fees, Licenses, and Permits	4,110	3,750	3,875	125
Fines and Forfeitures	281,882	257,200	207,598	(49,602)
Intergovernmental	703,555	641,951	1,284,455	642,504
Interest	246,592	225,000	314,062	89,062
Other	181,849	165,926	319,895	153,969
Total Revenues	8,721,325	7,957,677	10,536,875	2,579,198
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,995,560	4,119,642	3,759,694	359,948
Judicial	1,271,064	1,509,600	1,392,298	117,302
Public Safety	2,934,609	2,738,146	2,385,084	353,062
Public Works	145,204	141,411	129,478	11,933
Health	128,428	128,718	116,083	12,635
Human Services	228,848	221,928	218,201	3,727
Capital Outlay	0	416,517	416,517	0
Total Expenditures	8,703,713	9,275,962	8,417,355	858,607
Excess of Revenues Over (Under) Expenditures	17,612	(1,318,285)	2,119,520	3,437,805
Other Financing Sources (Uses)				
Advances In	0	0	135,600	135,600
Transfers Out	0	(388,794)	(373,226)	15,568
Advances Out	0	0	(134,500)	(134,500)
Total Other Financing Sources (Uses)	0	(388,794)	(372,126)	16,668
Net Change in Fund Balances	17,612	(1,707,079)	1,747,394	3,454,473
Fund Balances at Beginning of Year-Restated	2,246,698	2,246,698	2,246,698	0
Fund Balances at End of Year	$2,264,310	$539,619	$3,994,092	$3,454,473

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Motor Vehicle Gasoline Tax

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$345,192	$334,219	$354,857	$20,638
Fines and Forfeitures	15,492	15,000	16,896	1,896
Intergovernmental	4,854,316	4,700,000	4,829,901	129,901
Interest	0	0	3,767	3,767
Contributions and Donations	0	0	2,304	2,304
Other	0	0	167,793	167,793
Total Revenues	5,215,000	5,049,219	5,375,518	326,299
Expenditures				
Current:				
Public Works	4,979,846	6,049,102	3,643,478	2,405,624
Capital Outlay	0	399,944	334,514	65,430
Debt Service:				
Principal Retirement	170,653	221,000	211,376	9,624
Interest and Fiscal Charges	649,501	841,123	178,557	662,566
Total Expenditures	5,800,000	7,511,169	4,367,925	3,143,244
Net Change in Fund Balances	(585,000)	(2,461,950)	1,007,593	3,469,543
Fund Balances at Beginning of Year-Restated	2,461,950	2,461,950	2,461,950	0
Fund Balances at End of Year	$1,876,950	$0	$3,469,543	$3,469,543

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Board of Developmental Disabilities

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$1,152,089	$1,152,089	$905,210	($246,879)
Payments in Lieu of Taxes	26,485	26,485	18,024	(8,461)
Charges for Services	549,825	549,825	889,805	339,980
Intergovernmental	1,957,769	1,957,769	1,237,168	(720,601)
Rent	41,051	41,051	11,669	(29,382)
Contributions and Donations	0	0	350	350
Other	33,106	33,106	83,482	50,376
Total Revenues	3,760,325	3,760,325	3,145,708	(614,617)
Expenditures				
Current:				
Health	3,143,436	3,797,825	3,105,566	692,259
Capital Outlay	0	7,110	7,110	0
Total Expenditures	3,143,436	3,804,935	3,112,676	692,259
Excess of Revenues Over (Under) Expenditures	616,889	(44,610)	33,032	77,642
Other Financing Sources (Uses)				
Transfers In	0	0	25,000	25,000
Transfers Out	0	(47,500)	(47,500)	0
Total Other Financing Sources (Uses)	0	(47,500)	(22,500)	25,000
Net Change in Fund Balances	616,889	(92,110)	10,532	102,642
Fund Balances at Beginning of Year-Restated	4,564,051	4,564,051	4,564,051	0
Fund Balances at End of Year	$5,180,940	$4,471,941	$4,574,583	$102,642

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Job and Family Services

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$146,095	$150,000	$141,370	($8,630)
Intergovernmental	3,562,874	3,658,100	3,638,272	(19,828)
Other	32,531	33,400	111,984	78,584
Total Revenues	3,741,500	3,841,500	3,891,626	50,126
Expenditures				
Current:				
Human Services	3,741,500	3,911,921	3,703,627	208,294
Capital Outlay	0	21,911	21,911	0
Total Expenditures	3,741,500	3,933,832	3,725,538	208,294
Excess of Revenues Over (Under) Expenditures	0	(92,332)	166,088	258,420
Other Financing Uses				
Transfers Out	0	(48,668)	(48,668)	0
Total Other Financing Uses	0	(48,668)	(48,668)	0
Net Change in Fund Balances	0	(141,000)	117,420	258,420
Fund Balances at Beginning of Year	141,839	141,839	141,839	0
Fund Balances at End of Year	$141,839	$839	$259,259	$258,420

See accompanying notes to the basic financial statements.

Pike County
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2020

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Assets		
Current Assets		
Equity in Pooled Cash and Investments	$880,271	$186,547
Cash and Cash Equivalents with Fiscal Agents	0	12,000
Accounts Receivable	60,665	0
Prepaid Items	1,426	0
Total Current Assets	942,362	198,547
Noncurrent Assets		
Nondepreciable Capital Assets	7,000	0
Depreciable Capital Assets, Net	6,866,525	0
Total Noncurrent Assets	6,873,525	0
Total Assets	7,815,887	198,547
Deferred Outflows of Resources		
Pension	29,320	0
OPEB	18,693	0
Total Deferred Outflows of Resources	48,013	0
Liabilities		
Current Liabilities		
Accounts Payable	702,637	0
Accrued Wages and Benefits Payable	4,863	0
Intergovernmental Payable	2,151	0
Claims Payable	0	30,689
Compensated Absences Payable - Current Portion	9,289	0
OWDA Loans Payable - Current Portion	4,335	0
Total Current Liabilities	723,275	30,689
Noncurrent Liabilities		
Compensated Absences Payable	6,134	0
OWDA Loans Payable	252,398	0
Net Pension Liability	176,531	0
Net OPEB Liability	116,724	0
Total Noncurrent Liabilities	551,787	0
Total Liabilities	1,275,062	30,689
Deferred Inflows of Resources		
Pension	54,059	0
OPEB	25,949	0
Total Deferred Inflows of Resources	80,008	0
Net Position		
Net Investment in Capital Assets	6,616,792	0
Unrestricted (Deficit)	(107,962)	167,858
Total Net Position	$6,508,830	$167,858

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2020

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Operating Revenues		
Charges for Services	$695,318	$295,859
Other	9,126	0
Total Operating Revenues	704,444	295,859
Operating Expenses		
Personal Services	150,157	0
Fringe Benefits	71,477	0
Contractual Services	390,858	0
Materials and Supplies	37,521	0
Claims	0	375,506
Depreciation	233,056	0
Other	3,913	0
Total Operating Expenses	886,982	375,506
Operating Loss	(182,538)	(79,647)
Nonoperating Revenues (Expenses)		
Interest	0	498
Interest and Fiscal Charges	(4,312)	0
Total Nonoperating Revenues (Expenses)	(4,312)	498
Change in Net Position	(186,850)	(79,149)
Net Position Beginning of Year-Restated	6,695,680	247,007
Net Position End of Year	$6,508,830	$167,858

See accompanying notes to the basic financial statements.

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

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	$688,581	$0
Cash Received from Transactions with Other Funds	0	295,859
Cash Payments for Employee Services and Benefits	(217,088)	0
Cash Payments to Suppliers for Goods and Services	(194,034)	(7,290)
Cash Payments for Claims	0	(353,754)
Other Operating Revenues	9,126	0
Net Cash Provided (Used) for Operating Activities	286,585	(65,185)
Cash Flows from Capital and Related Financing Activities		
Proceeds from OWDA Loans	7,627	0
Principal Paid on Debt	(8,572)	0
Interest and Fiscal Charges Paid on Debt	(4,312)	0
Net Cash Used for Noncapital Financing Activities	(5,257)	0
Net Change in Cash and Cash Equivalents	281,328	(64,687)
Cash and Cash Equivalents Beginning of Year-Restated	598,943	263,234
Cash and Cash Equivalents End of Year	$880,271	$198,547
Reconciliation of Operating Loss to Net Cash Provided (Used) for Operating Activities		
Operating Loss	($182,538)	($79,647)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) for Operating Activities:		
Depreciation	233,056	0
Changes in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:		
Increase in Accounts Receivable	(6,737)	0
Decrease in Prepaid Items	1,041	0
Increase (Decrease) in Accounts Payable	241,523	(7,290)
Decrease in Accrued Wages and Benefits Payable	(721)	0
Decrease in Contracts Payable	(4,306)	0
Decrease in Intergovernmental Payable	(7)	0
Increase in Claims Payable	0	21,752
Increase in Compensated Absences Payable	2,577	0
Decrease in Deferred Outflows	56,098	0
Increase in Deferred Inflows	66,916	0
Decrease in Net Pension Liability	(108,770)	0
Decrease in Net OPEB Liability	(11,547)	0
Net Cash Provided (Used) for Operating Activities	$286,585	($65,185)

See accompanying notes to the basic financial statements.

Pike County

Statement of Fiduciary Net Position

Custodial Funds

As of December 31, 2020

Assets	
Equity in Pooled Cash and Investments	$2,274,063
Cash and Cash Equivalents in Segregated Accounts	399,428
Accounts Receivable	75,393
Intergovernmental Receivable	1,774,699
Prepaid Items	2,574
Property Taxes Receivable	21,825,182
Total Assets	26,351,339
Liabilities	
Accounts Payable	95,290
Accrued Wages and Benefits Payable	16,785
Intergovernmental Payable	2,847,273
Undistributed Monies	450,831
Total Liabilities	3,410,179
Deferred Inflows of Resources	
Property Taxes Not Levied to Finance Current Year Operations	17,154,362
Total Deferred Inflows of Resources	17,154,362
Net Position	
Restricted for Individuals, Organizations, and Other Governments	5,786,798
Total Net Position	$5,786,798

See accompanying notes to the basic financial statements.

Pike County
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

Additions	
Intergovernmental	$6,866,021
Amounts Received as Fiscal Agent	2,031,535
Licenses, Permits, and Fees for Other Governments	118,560
Fines and Forfeitures for Other Governments	5,125,073
Property Tax Collections for Other Governments	15,781,650
Sheriff Sale Collections for Others	341,426
Total Additions	30,264,265
Deductions	
Distributions as Fiscal Agent	1,716,042
Distributions of State Funds to Other Governments	6,867,354
Distributions to the State of Ohio	119,040
Fines and Forfeitures Distributions to Other Governments	5,124,973
Property Tax Distributions to Other Governments	15,304,441
Sheriff Sale Distributions to Others	341,426
Total Deductions	29,473,276
Change in Net Position	790,989
Net Position at Beginning of Year-Restated	4,995,809
Net Position at End of Year	$5,786,798

See accompanying notes to the basic financial statements.

Note 1 – Reporting Entity

Pike County, Ohio (the County), was created in 1815. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile Court Judge, and a County 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 the chief administrators of public services for the entire County.

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. For the County, this includes the Pike County Board of Developmental Disabilities, Pike County Community Development, Emergency Medical Services, Emergency Management Agency, Pike County Planning Commission, Children Services Board, and departments and activities that are directly operated by the elected County officials.

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

The Pike County Land Reutilization Corporation (Land Bank) was formed on July 23, 2018 as a legally separate not-for-profit organization, created under Ohio Revised Code Sections 5722.02 to 5722.15 and Chapter 1724, to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County’s agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within the County. The Land Bank is governed by a five-member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population, and one representative from a township with a population of ten thousand or more. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, and the County is able to impose its will on the operation of the Land Bank, the relationship between the County and the Land Bank is such that exclusion could cause the County’s financial statements to be misleading. However, since no material financial activity has occurred, no financial information relating to the Land Bank is presented in the County’s financial statements.

The County has no other blended or discretely presented component units that require presentation.

The County is associated with certain organizations which are defined as jointly governed organizations or related organizations. These organizations are presented in notes 20 and 21 to the basic financial statements. These organizations are:

- Buckeye Joint-County Self-Insurance Council
- Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties
- Hocking Valley Community Residential Center
- South Central Regional Juvenile Detention Center
- Ohio Valley Resource Conservation and Development Area, Inc.
- Job Training Partnership Consortium

- Private Industry Council
- Southern Ohio Development Initiative
- Southern Ohio Council of Governments
- Garnet A. Wilson Library of Pike County
- Pike Metropolitan Housing Authority
- Pike Adult Activities Center, dba Canal Industries

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 districts listed below, the County serves as fiscal agent, but the districts are not fiscally dependent on the County. Accordingly, the activity of the following districts is presented as custodial funds within the County's financial statements.

- The Soil and Water Conservation District was statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire its own staff, and do not rely on the County to approve operations.
- The Pike County Health District is governed by a five member Board of Health which oversees the operation of the Health District and is elected by a regional advisory council. The Board adopts its own budget, hires and fires its own staff, and is legally separate from the County. Although the County Commissioners serve as the taxing authority for the Health District, this is strictly a ministerial function. The County does not approve the fiscal operations of the District.

Note 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pike County (the County and the primary government) follows GASB guidance as applicable to its governmental and business-type activities. 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 that provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the primary government 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 function of the County's governmental activities and for 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. Program revenues include (1) charges paid by the recipient of the goods or services and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each 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 present financial information at a more detailed level. The governmental and enterprise fund financial statements focus on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary 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 of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 liabilities plus deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

> *General Fund* – This fund is used to account for all financial resources of the County not accounted for or reported 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.
>
> *Motor Vehicle Gasoline Tax Fund* – This fund is used to account for revenues derived from motor vehicle licenses and gasoline taxes. Expenditures are restricted by state law to county road and bridge repair/improvement programs.
>
> *Board of Developmental Disabilities Fund* – This fund is used to account for the operation of a school for the developmentally disabled. Revenue sources are a county-wide property tax levy and federal and state grants.
>
> *Job and Family Services Fund* – This fund is used to account for various federal and state grants, as well as County contributions from the general fund used to provide public assistance to general relief recipients and to pay providers of medical assistance and certain public social services.

The County's nonmajor governmental funds account for (1) grants and other resources whose use is restricted to a particular purpose; (2) the accumulation of resources for, and payment of, the principal, interest, and related costs for the County's general long-term debt; and (3) financial resources used for the acquisition, construction, or renovation of facilities (other than those financed by proprietary funds).

Proprietary Funds – 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 are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the County's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County's only enterprise fund is the following major fund:

> *Pike County Sewer Fund* – This fund is used to account for revenue received from user charges for sewer services provided to residents of Pike County. The costs of providing services are financed through user charges.

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's internal service fund is used to provide reimbursement for qualified health care claims under $5,000.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. There are four types of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The only type of fiduciary fund the County uses is custodial funds.

The custodial funds account for assets held in a purely custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues, and fines and forfeitures collected on behalf of and distributed to other local governments. Custodial fund transactions typically involve only the receipt, temporary investment, and distribution of these fiduciary resources.

Measurement Focus

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

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and others 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, liabilities, and deferred inflows and outflows 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. The statement of cash flows 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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

<u>Revenues-Exchange and Non-exchange Transactions</u>

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. Revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the fiscal year for which 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 fiscal 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.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under this basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: sales tax (see note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide and proprietary fund statements of net position and include pension/OPEB expense. A deferral for pension/OPEB results from changes in net pension/OPEB liability (asset) not recognized as a component of current year pension/OPEB expense. This amount is deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. The County reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) 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 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, sales taxes, grants and entitlements, and other. 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/OPEB are explained further in notes 12 and 13.

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. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, provided current financial resources are to be used. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

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

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

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

Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent and in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the balance sheet and statements of net position.

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet and statements of net position as "cash and cash equivalents in segregated accounts."

Cash and cash equivalents and investments that are held by the Southern Ohio Council of Governments on behalf of the County's Board of Developmental Disabilities, as well as cash held by United Health Care, the third party administrator for the health reimbursement account program, are recorded on the balance sheet and statements of net position as "cash and cash equivalents with fiscal agents".

For reporting purposes, "equity in pooled cash and investments" is defined as cash on hand, demand deposits, and investments held in the County treasury.

For cash flow reporting purposes, the County's proprietary funds consider cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. "Equity in pooled cash and investments" is considered to be cash and equivalents since these assets are available on demand.

Investments held by the County Treasurer are stated at fair value using quoted market prices.

During fiscal year 2020, investments were limited to Federal Home Loan Mortgage Corporation securities, Federal Farm Credit Bank securities, Federal National Mortgage Association securities, municipal bonds, negotiable certificates of deposit, U.S. Treasury notes, commercial paper, and money market funds.

Under existing Ohio law, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Distribution is made utilizing a formula based on the average month-end balance of cash and cash equivalents of all funds.

Interest is distributed to the general fund, motor vehicle gasoline tax, law enforcement block grant, election security, 2018 FEMA, 2019 FEMA, and Armintrout trust special revenue funds, and the Pike Health Care notes debt service fund. Interest earned during 2020 amounted to $394,037 in the governmental funds. The County also experienced an increase in the fair value of investments of $89,244, which was credited to the general fund.

Loans Receivable

Loans receivable consists of long-term revolving loans for housing and community development projects. The programs are primarily funded by a federal block grant, with a local match from the County. Loans receivable is offset by a credit to restricted fund balance. The expenditure is recorded when the loan is made.

Inventory

On the government-wide financial statements, inventories are presented at cost, on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

The County's only significant inventory balance at December 31, 2020 was held in the motor vehicle gasoline tax fund.

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.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The County maintains a capitalization threshold of $5,000 for all assets except infrastructure, in which the County maintains a capitalization threshold of $50,000. Public domain (infrastructure) general capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized for acquisitions during 2020 and previous fiscal years in accordance with GASB Statement No. 34. Interest incurred during the construction of assets is not capitalized. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	20-40 years
Roads and Bridges (Infrastructure)	10-50 years
Furniture and Fixtures	10 years
Sewer Lines	50 years
Machinery and Equipment	5-15 years
Vehicles	8 years

Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. The County had no interfund balances to report at December 31, 2020.

Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences” as interpreted by Interpretation No. 6 of the GASB, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”. 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 that the employer will compensate the employees for the benefits through paid time off or some other means. The County records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County’s past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

On the 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 employee who has accumulated unpaid leave is paid.

Fund Balance

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners. The County Auditor generally will assign monies through the issuance of purchase orders.

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

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

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred outflows and inflows related to the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes various grants and other resources restricted for various purposes. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the County's restricted net position, none is restricted by enabling legislation.

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 sewer services and charges to other funds for the health reimbursement account program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the funds. Revenues and expenses not matching these definitions are reported as non-operating revenues and expenses.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

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

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

Interfund Transactions

Transfers between governmental and business-type activity on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for 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 nonoperating revenues/expenses in proprietary funds. Interfund transfers within governmental activities are eliminated in the statement of activities. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 – Conversion of Operations from Budget Basis to GAAP Basis

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

The statements of revenues, expenditures, and changes in fund balances-budget and actual (budget basis) are presented in the basic financial statements for the general fund and major special revenue funds. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

5. Revolving loans made to eligible businesses and individuals are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Certain funds are reported as part of the general fund and board of developmental disabilities fund on a GAAP basis, but are not reported as part of the general fund and board of developmental disabilities fund, respectively, on the budget basis.

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

Net Change in Fund Balance (Deficit)
General and Major Special Revenue Funds

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Job and Family Services
GAAP Basis	$2,080,460	$152,056	($29,689)	($346,048)
Net Adjustments for:				
Revenue Accruals	(365,256)	205,761	(174,879)	386,379
Expenditure Accruals	285,792	649,776	198,100	125,757
Other Sources (Uses)	(89,825)	0	17,000	(48,668)
Perspective Difference:				
Activity of Funds Reclassified For GAAP Reporting Purposes	(163,777)	0	0	0
Budget Basis	$1,747,394	$1,007,593	$10,532	$117,420

Note 4 – Accountability

Fund Balance Deficits

The following funds have a fund balance deficit as of December 31, 2020:

Nonmajor Funds:	
Pike County Senior Citizens Debt Service	$44,186
State Issue II Grants	248,822

These deficits are a result of the application of accounting principles generally accepted in the United States of America to the financial reporting of these funds. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. Bond anticipation note proceeds used to finance projects are not recognized as "other financing sources," but rather as a fund liability. This deficit in the debt service fund will be eliminated when the notes are bonded and/or resources are provided for the retirement of the notes.

Note 5 – Deposits and Investments

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or 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 Ohio Revised Code (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 Insurance Corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
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.

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

Cash on Hand

At year end, the County had $5,000 in undeposited cash on hand which is included on the financial statements of the County as part of “equity in pooled cash and investments.”

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County’s bank balance of $9,666,443 is either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner as described above.

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

- Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

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

	Weighted Average Maturity				
	Carrying/ Fair Value	Less Than One Year	1-2 Years	3-5 Years	% of Total
Federal Home Loan Mortgage Corporation	$2,201,146	$0	$600,226	$1,600,920	13%
Federal Farm Credit Bank	999,545	0	0	999,545	6%
Federal National Mortgage Association	589,373	0	0	589,373	3%
Municipal Bonds	5,048,331	3,134,313	412,379	1,501,639	29%
Negotiable Certificates of Deposit	5,902,783	2,386,525	1,512,760	2,003,498	34%
U.S. Treasury Notes	1,945,719	1,945,719	0	0	11%
Commercial Paper	699,360	699,360	0	0	4%
Money Market Fund	11,473	11,473	0	0	<1%
Total Investments	$17,397,730	$8,177,390	$2,525,365	$6,694,975	100%

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy specifically dealing with interest rate risk. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years of less.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy allows the County to invest in accordance with the Ohio Revised Code (Ohio Law). Investments in Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association and for U.S. Treasury notes were rated AA+ by Standard & Poor's and Aaa by Moody's. The investment rating for the money market fund was AAAm by Standard & Poor's. Commercial paper was rated A1+ by Standard & Poor's and P1 by Moody's. Ratings in municipal bonds ranged from AA- to SP1+ by Standard & Poor's and Aa2 to Baa1 by Moody's. Negotiable certificates of deposit are not rated.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer; however their investment policy does stress diversification to limit potential losses.

Custodial credit risk – 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. All of the County's securities are either insured and registered in the name of the County or at least registered in the name of the County. The County has no policy specifically related to custodial credit risk, but requires the County to conform to requirements of Ohio law.

The County has categorized 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. All of the County's investments are valued using pricing sources as provided by the investments managers (Level 2 inputs)

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2017. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Certain public utility property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes which were measurable and unpaid as of December 31, 2020. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2020 operations.

The full tax rate for all County operations for the year ended December 31, 2020 was $14.70 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:

Category	Assessed Value
Real Estate	$418,532,870
Public Utility Personal Property	93,002,840
Total Property Taxes	$511,535,710

Note 7 – Tax Abatements

A tax abatement is defined as a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement programs where the County has promised to forego taxes follows:

Community Reinvestment Area (CRA) Program

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The County determines the type of development to support by specifying the eligibility of residential, commercial, and/or industrial projects. The County negotiates property tax exemptions on new property tax from investment for up to one hundred percent (100%) for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretion of the County, are pursuant to ORC Sections 9.66(C)(1) and 9.66(C)(2).

A summary of the taxes foregone on the County's abatement programs for the year ended December 31, 2020 follows:

Program	Tax Abated	Amount
Community Reinvestment Areas	Property Tax	$16,887

Note 8 – Permissive Sales Tax

In 1988, in accordance with Sections 5739.02 and 5741.02 of the Revised Code, the County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the 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. A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2020. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is reported as deferred inflows of resources-unavailable resources. Sales and use tax revenue for 2020 amounted to $5,272,318.

Note 9 – Receivables

Receivables at December 31, 2020 consisted of property, sales, and other local taxes, accounts (billings for user charged services), interest, loans, and due from other governments arising from grants, entitlements and shared revenues. All receivables (other than loans) are considered collectible in full.

The Department of Community Development loans money to eligible residents of Pike County to rehabilitate their residences. Part of the loan agreement states that the loan recipient will not sell their home for five years after such rehabilitation is completed. The Community Development office secures a lien against the property for this five-year period. This type of assistance will be in the form of a declining/deferred loan. There are no monthly payments and no interest will be charged. 80 percent of the amount borrowed will be forgiven over five years, declining 20 percent each year. The remaining 20 percent will be in the form of a deferred loan. Deferred loans do not get repaid until the homeowner sells, vacates, or transfers the title of the property. Other loans receivable represent low interest loans for development projects and home improvements granted to eligible County residents and businesses under the Community Development. Of the total loans receivable disclosed on the balance sheet, $367,917 represents the amount of principal on the loans subject to forgiveness under the above agreement.

A summary of the principal items of intergovernmental receivables is as follows:

Governmental Activities	Amount
Major Funds:	
General Fund	$316,755
Motor Vehicle Gasoline Tax	2,299,197
Board of Developmental Disabilities Grants	404,269
Job and Family Services	120,761
Nonmajor Funds:	
Dept of Energy Grant	18,524
Emergency Medical Services	20,126
Children Services	322,501
CDBG Critical Infrastructure Grant	166,126
ODRC Subsidy Grant	75,000
Felony Delinquent Care & Custody	35,571
Community Corrections Grant	27,792
Federal Highway Administration	20,479
VOCA Grant	4,059
Pike Senior Services Levy	20,210
ODH MIECHV Pike DD Grant	28,451
Social Services Block Grant Title XX	2,242
State Issue II Grant	872,183
State LTIP Grant	147,280
Total Nonmajor Funds	1,760,544
Total Governmental Activities	$4,901,526

Note 10 – Risk Management

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the County contracted with the Buckeye Joint-County Self-Insurance Council (a jointly governed organization, see note 20) for liability, auto, and crime insurance. This jointly governed organization is a cost-sharing pool. The program has a $0 to $5,000 deductible per occurrence.

Coverages provided by the program are as follows:

	Aggregate	Each Occurrence
General Liability	$4,000,000	$2,000,000
Public Officials	4,000,000	2,000,000
Law Enforcement	4,000,000	2,000,000
Automobile – Liability	0	2,000,000
Employee Benefits Liability	4,000,000	2,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of $37,317,039 and other property insurance including $1,000,000 for extra expenses.

Health insurance was provided by a private carrier, United Health Care, for all claims $5,000 and above. Claims under $5,000 are provided through a health reimbursement program administered by a third-party administrator, United Health Care, through December 31, 2020. Beginning January 1, 2021, the County began using Peoples Insurance as its third-party administrator for the health reimbursement program. The County maintains an internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of $30,689 reported in the internal service fund at December 31, 2020, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the past two years are as follows:

	Beginning Year Balance	Current Year Claims	Claim Payments	Ending Year Balance
2020	$8,937	$375,506	($353,754)	$30,689
2019	36,914	214,236	(242,213)	8,937

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. The County pays all elected officials' bonds by statute.

The County has not incurred significant reductions in insurance coverage from coverage in the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 11 – Capital Assets

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

	Balance at 12/31/19	Additions	Deletions	Balance at 12/31/20
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$1,684,691	$159,570	$0	$1,844,261
Construction in Progress	498,530	919,745	(625,000)	793,275
Total Non-Depreciable Capital Assets	2,183,221	1,079,315	(625,000)	2,637,536
Depreciable Capital Assets:				
Furniture and Fixtures	189,073	0	0	189,073
Buildings and Improvements	15,766,038	0	0	15,766,038
Machinery and Equipment	2,414,312	119,883	0	2,534,195
Vehicles	4,792,717	906,992	(1,272,035)	4,427,674
Infrastructure	61,730,109	2,292,553	(2,303,948)	61,718,714
Total Depreciable Capital Assets	84,892,249	3,319,428	(3,575,983)	84,635,694
Less Accumulated Depreciation:				
Furniture and Fixtures	(149,587)	(5,715)	0	(155,302)
Buildings and Improvements	(10,405,619)	(375,135)	0	(10,780,754)
Machinery and Equipment	(1,707,823)	(114,761)	0	(1,822,584)
Vehicles	(4,018,195)	(316,224)	1,258,772	(3,075,647)
Infrastructure	(33,515,992)	(1,535,368)	1,842,194	(33,209,166)
Total Accumulated Depreciation	(49,797,216)	(2,347,203)	3,100,966	(49,043,453)
Net Depreciable Capital Assets	35,095,033	972,225	(475,017)	35,592,241
Total Capital Assets, Net	$37,278,254	$2,051,540	($1,100,017)	$38,229,777

Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	$372,348
Judicial	7,895
Public Safety	281,441
Public Works	1,589,184
Health	26,394
Human Services	41,560
Economic Development and Assistance	28,381
Total Depreciation Expense	$2,347,203

	Balance at 12/31/19	Additions	Deletions	Balance at 12/31/20
Business-Type Activities:				
Non-Depreciable Capital Assets:				
Land	$7,000	$0	$0	$7,000
Total Non-Depreciable Capital Assets	7,000	0	0	7,000
Depreciable Capital Assets:				
Buildings and Improvements	326,697	0	0	326,697
Machinery and Equipment	120,218	0	0	120,218
Vehicles	87,350	0	0	87,350
Infrastructure	11,893,709	0	0	11,893,709
Total Depreciable Capital Assets	12,427,974	0	0	12,427,974
Less Accumulated Depreciation:				
Buildings and Improvements	(122,708)	(7,685)	0	(130,393)
Machinery and Equipment	(85,508)	(6,070)	0	(91,578)
Vehicles	(43,523)	(6,343)	0	(49,866)
Infrastructure	(5,076,654)	(212,958)	0	(5,289,612)
Total Accumulated Depreciation	(5,328,393)	(233,056)	0	(5,561,449)
Net Depreciable Capital Assets	7,099,581	(233,056)	0	6,866,525
Total Capital Assets, Net	$7,106,581	($233,056)	$0	$6,873,525

<u>Note 12 – Defined Benefit Retirement Plans</u>

Net Pension Liability/Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions/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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution 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 required pension disclosures. See note 13 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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 for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS comprehensive annual financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

The remaining of this page was intentionally left blank.

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% service for the first 30 years and 2.5%	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and 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 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 COLA is 3.0%. 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 3.0%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

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

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

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
**This rate is also determined by the OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
***These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

The County's contractually required pension contributions to OPERS were $1,570,118 for 2020. Of this amount, $181,941 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee 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 website at http://www.strsoh.org.

New members have a choice of three retirement plans; a defined benefit (DB) plan, a defined contribution (DC) Plan and a combined plan. Benefits are established by Ohio Revised Code Chapter 3307.

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

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

The DC plan allows members to place all their member contributions and 9.53% of the 14.0% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.0% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO plan offers features of both the DB plan and the DC plan. In the CO plan, 12% of the 14% member rate is deposited into the member’s DC account and the remaining 2% 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 CO 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 CO 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 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County’s contractually required pension contributions to STRS were $27,344 for 2020. Of this amount, $2,137 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2019 and for STRS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. 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
Proportionate Share of the Net Pension Liability:			
Current Measurement Date	0.07633500%	0.00160967%	
Prior Measurement Date	0.08609100%	0.00167691%	
Change in Proportionate Share	-0.00975600%	-0.00006724%	
Proportionate Share of the:			
Net Pension Liability	$15,088,131	$389,483	$15,477,614
Pension Expense	1,651,307	8,452	1,659,759

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			
Differences between expected and actual experience	$0	$873	$873
Changes of assumptions	805,883	20,907	826,790
Net difference between projected and actual earnings on pension plan investments	0	18,940	18,940
Changes in proportion and differences between County's contributions and proportionate share of contributions	129,888	0	129,888
County contributions subsequent to the measurement date	1,570,118	13,783	1,583,901
Total Deferred Outflows of Resources	$2,505,889	$54,503	$2,560,392
Deferred Inflows of Resources			
Differences between expected and actual experience	$190,768	$2,493	$193,261
Net difference between projected and actual earnings on pension plan investments	3,009,743	0	3,009,743
Changes in proportion and differences between County contributions and proportionate share of contributions	1,419,853	45,263	1,465,116
Total Deferred Inflows of Resources	$4,620,364	$47,756	$4,668,120

$1,583,901 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 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:

	OPERS	STRS	Total
Year Ending December 31:			
2021	($1,249,869)	($7,139)	($1,257,008)
2022	(1,364,290)	(11,678)	(1,375,968)
2023	124,631	6,028	130,659
2024	(1,195,065)	5,753	(1,189,312)
Total	($3,684,593)	($7,036)	($3,691,629)

Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-1/7/2013 retirees	3 percent, simple
Post-1/7/2013 retirees	1.4 percent, simple through 2020, then 2.15% simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3 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 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 tale 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 previously described tables.

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

During 2019, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio, and the defined contribution portfolio. The defined benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the defined benefit portfolio was 17.2 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 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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%, 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%) or one percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability	$24,885,210	$15,088,131	$6,280,844

Actuarial Assumptions – STRS

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

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Cost-of-living adjustments (COLA)	0.00% effective July 1, 2017

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

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

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	$554,556	$389,483	$249,597

Note 13 – Defined Benefit OPEB Plans

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

Ohio Public Employees Retirement System (OPERS)

The 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 postemployment 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 postemployment benefit (OPEB) as described in GASB Statement 75. See the 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 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.

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. The plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2020, STRS did not allocate any employer contributions to postemployment health care.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	OPERS	STRS	Total
Proportionate Share of the Net OPEB Liability:			
Current Measurement Date	0.07222600%	0.00160967%	
Prior Measurement Date	0.08131000%	0.00167691%	
Change in Proportionate Share	-0.00908400%	-0.00006724%	
Proportionate Share of the:			
Net OPEB Liability	$9,976,287	$0	$9,976,287
Net OPEB Asset	0	(28,290)	(28,290)
OPEB Expense	731,338	(3,913)	727,425

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			
Differences between expected and actual experience	$268	$1,813	$2,081
Changes of assumptions	1,579,140	467	1,579,607
Net difference between projected and actual earnings on OPEB plan investments	0	992	992
Changes in proportion and differences between County's contributions and proportionate share of contributions	18,263	0	18,263
Total Deferred Outflows of Resources	$1,597,671	$3,272	$1,600,943
Deferred Inflows of Resources			
Differences between expected and actual experience	$912,377	$5,634	$918,011
Changes of assumptions	0	26,871	26,871
Net difference between projected and actual earnings on OPEB plan investments	507,990	0	507,990
Changes in proportion and differences between County contributions and proportionate share of contributions	797,490	9,083	806,573
Total Deferred Inflows of Resources	$2,217,857	$41,588	$2,259,445

No amounts reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2021	($247,153)	($9,550)	($256,703)
2022	(156,366)	(8,881)	(165,247)
2023	403	(8,646)	(8,243)
2024	(217,070)	(8,501)	(225,571)
2020	0	(1,345)	(1,345)
Thereafter	0	(1,393)	(1,393)
Total	($620,186)	($38,316)	($658,502)

Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25 percent
Projected Salary Increases	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	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	10.0 percent, initial 3.5 percent, ultimate in 2030
Prior Measurement Date	7.25 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 Trust	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	14.00%	4.90%
Total	100.00%	4.55%

Discount Rate – A single discount rate of 3.16 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 (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
County's proportionate share of the net OPEB liability	$13,055,572	$9,976,287	$7,510,782

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 County's proportionate share of 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 Health Care Cost Trend Rate	1% Increase
County's proportionate share of the net OPEB liability	$9,681,896	$9,976,287	$10,266,926

Changes since prior Measurement Date and to Report 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:

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 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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.

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

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 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.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate to no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset at 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 if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	($24,614)	($28,290)	($31,409)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($31,215)	($28,290)	($24,727)

Note 14 – Other Employee Benefits

Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County.

Accumulated, unused sick leave is paid up to maximums of 240 to 480 hours, depending on length of service and departmental policy, to employees who retire.

Note 15 – Deferred Compensation

Pike County employees and elected officials may participate in either the Ohio Public Employees Deferred Compensation program or the County Commissioners' Association of Ohio Deferred Compensation Program, both created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death, or in the case of an unforeseeable emergency.

Note 16 – Capital Leases – Lessee Disclosure

The County has entered into capitalized leases for the acquisition of copiers, a postage machine, and hardware/software. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the basic financial statements for the general fund and the board of developmental disabilities, job and family services, county court computerization, ODH MIECHV grant, and OCD Fluor economic development special revenue funds. These expenditures are reflected as program/object expenditures on a budgetary basis.

The capital assets acquired by the leases have been capitalized in the statement of net position for governmental activities in the amount of $154,006 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2020 totaled $27,064 in the governmental funds.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020.

Year Ending December 31,	Long-Term Debt
2021	$19,224
2022	10,459
2023	6,346
2024	3,415
2025	221
Total Minimum Lease Payments	39,665
Less: Amount Representing Interest	0
Present Value of Net Minimum Lease Payments	$39,665

Several of the County's capital leases are from direct borrowings and are collateralized by the equipment acquired with the capital lease agreements' proceeds. These capital lease agreements from direct borrowings contain provisions that in an event of default, the County may be subject to one or more of the following remedies: a) cancel the lease; b) require prompt return of equipment; c) take possession of and/or render equipment unusable and sell, lease, or otherwise dispose of equipment on such terms and in such manner as the lessor may at its discretion determine, d) the County to pay, on demand, liquidated damages in an amount equal to the sum of i) all payments and other amounts then due and past due, ii) all remaining payments for the remainder of the term discounted at a rate of 6 percent per annum, iii) the residual value of the equipment estimated by the lessor at the inception of the lease, discounted at a rate of 6 percent per annum, iv) interest on the amounts specified in clauses i, ii, and iii from the date of demand to the date paid at a rate of 1.5 percent per month, and v) all other amounts that may thereafter become due hereunder to the extent that the lessor will be obligated to collect and pay such amounts to a third party; and/or e) exercise any other remedy available to the lessor under law. The County may also be liable for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition of the equipment, plus interest at a rate previously noted in sub-clause iv on the foregoing amounts from the date of demand to the date paid.

Note 17 – Long-Term Debt

The Ohio Public Works Commission (OPWC) loan issued in 1998 consists of money owed to the OPWC for replacement of Buchanan Road Bridge. The total loan amount awarded was $205,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 1998 consists of money owed to the OPWC for replacement of Pike Lake Road Bridge. The total loan amount awarded was $105,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. The final payment was made on this loan in 2020.

The Ohio Public Works Commission (OPWC) loan issued during 2014 consists of money owed to the OPWC for the replacement of Rapp-Montgomery road and bridge repairs. The total loan amount awarded was $187,500. The loan will be repaid from the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the River Road Emergency Slip Repair project. The total amount awarded was $24,789. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Bridge Replacement and Salyers. The total amount awarded was $300,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2002 consists of money owed to the OPWC for replacement of Pike Lake Road Bridge at Tanglewood Acres. The total loan amount awarded was $47,563. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2003 consists of money owed to the OPWC for replacement of Loy's Run Bridge. The total loan amount awarded was $90,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for the replacement of Coal Dock Road Bridge. The total loan amount awarded was $125,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2005 consists of money owed to the OPWC for the replacement of Owl Creek Road Bridge. The total loan amount awarded was $150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2006 consists of money owed to the OPWC for the replacement of Auerville Road Bridge. The total loan amount awarded was $292,112. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for replacement of Buck Hollow Road Bridge. The total loan amount awarded was $37,156. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2009 consists of money owed to the OPWC for the replacement of the Adams Road Bridge. The total loan amount awarded was $185,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2010 consists of money owed to the OPWC for the replacement of the Little Creek (Mifflin Township) Water Line. The total loan amount awarded was $225,000. The OPWC loan is payable solely from the gross revenues of the Mifflin Township waterline notes debt service fund.

The Ohio Public Works Commission (OPWC) loan issued during 2008 consists of money owed to the OPWC for the replacement of Morgan's Fork Road Bridge. The total loan amount awarded was $250,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2002 consists of money owed to the OPWC for replacement of River Road Bridge. The total loan amount awarded was $125,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2013 consists of money owed to the OPWC for the replacement of Multiple Box Culverts. The total loan amount awarded was $581,695. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Three Bridge Replacement project. The total amount awarded was $550,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Bridge Replacement and Road Repair. The total amount awarded was $561,283. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Six Bridge Replacements. The total amount awarded was $465,056. $165,056 of this loan was forgiven through grant funds. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Boswell Run Road Bridge Replacement. The total loan amount awarded was $150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Culvert and Road Improvements. The total loan amount awarded was $233,603. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase I. The total loan amount awarded was $700,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase II. The total loan amount awarded was $1,067,171. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Five Box Culverts. The total loan amount awarded was $625,000. As of December 31, 2020, $558,645 has been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pike County and Pee Pee Township Paving. The total loan amount awarded was $745,878. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pleasant Hill and Stockdale Road Bridge Replacement. As of December 31, 2020, $56,178 has been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO13X issued during 2020 was for the purpose of providing funds for the Pike County Spot Paving and Pine Top Box Culvert project. This project is being partially funded by grant funds. As of December 31, 2020, none of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO15X issued during 2020 was for the purpose of providing funds for the 2020 Pike County Various Infrastructure project. This project is being partially funded by grant funds. As of December 31, 2020, $123,709 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO20W issued during 2020 was for the purpose of providing funds for the Pike County Spot Paving 2019 project. This project is being partially funded by grant funds. As of December 31, 2020, none of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Water Development Authority (OWDA) loan issued in 2002 consists of money owed to the OWDA for Water Pollution Control. The total loan amount awarded was $45,000. The OWDA loan is payable from the water pollution control loan hardship debt service fund.

The USDA loan issued in 2010 was for the purpose of airport hangar construction. The loan was issued in the amount of $328,000 with an interest rate of 4.00 percent. The loan will be repaid airport hangers debt service fund.

The general obligation bonds issued through United States Department of Agriculture in 2018 were to purchase two emergency squads. The bonds were issued in the amount of $400,000 at an interest rate of 3.875%. The bonds will be repaid from the EMS USDA debt service fund.

The general obligation bonds issued through United States Department of Agriculture in 2020 were to purchase four dump trucks. The bonds were issued in the amount of $300,000 at an interest rate of 2.125%. As of December 31, 2020, only $4,000 of the bond proceeds had been drawn. As such, an amortization schedule is not yet available for these bonds. The bonds will be repaid from the motor vehicle gasoline tax fund.

The revenue bond issued during 2009 was for the purpose of constructing a senior citizens center in the County. The bond was issued in the amount of $2,200,000 at an interest rate of 3.50%. Tax revenues of the Pike County senior citizen levy have been pledged to repay this bond. Transfers are made from the senior citizen special revenue fund to the Pike County senior center debt service fund for the repayment of this bond.

The revenue bond issued during 2014 was for the purpose of making improvements to the family health center in the County. The bond was issued in the amount of $850,000 at an interest rate of 3.65%. General revenues of the County along with revenues received from the operation of the Health Center have been pledged to repay this bond. The bond will be repaid from the Pike County health care debt service fund.

The general obligation bonds issued in 2007 were for the purpose of repaying general obligation notes of the County. The bonds were issued in the amount of $2,910,150, which includes $405,000 in debt for the Pike County Health District at an interest rate of 4.4325%. Of the $2,910,150, $2,887,000 were issued in governmental activity funds with the remaining $23,150 in business-type activities. The bonds will be repaid from the Pike County consolidated bond retirement debt service fund.

The DD facility bonds issued during 2015 was for the purpose of facility improvement. The bond was issued in the amount of $122,900 at an interest rate of 3.35%. The bonds will be repaid from the debt service fund.

The Ohio Water Development Authority (OWDA) loan issued during 2012 consists of money owed to the OWDA for North Sewer System project. The total loan amount awarded was $205,504. The OWDA loan is payable solely from the gross revenues of the sewer fund.

The Ohio Water Development Authority (OWDA) loan issued during 2016 consists of money owed to the OWDA for North Gate Sanitary Sewer Extension project. The total loan amount awarded was $85,845. The OWDA loan is payable solely from the gross revenues of the sewer fund.

The Ohio Water Development Authority (OWDA) loan issued during 2019 consists of money owed to the OWDA for Regional WWTP Improvements project. The OWDA loan is payable solely from the gross revenues of the sewer fund. As of December 31, 2020, $20,625 has been disbursed. No amortization is available at this time.

Compensated absences (sick leave and vacation benefits) and other obligations related to employee compensation are paid from the fund from which the person is paid, with the most significant being the general fund, and the community development, motor vehicle gasoline tax, job and family services, board of developmental disabilities, and children services special revenue funds. The capital leases are paid from the general Fund and the board of developmental disabilities, job and family services, and child support special revenue funds.

The County's long-term obligations at year end consisted of the following:

	Outstanding 1/1/20	Issued	Retired	Outstanding 12/31/20	Amount Due in One Year
Governmental Activities					
OPWC Loans					
1998 Buchanan Road – 0%	$7,500	$0	($1,875)	$5,625	$1,875
1998 Pike Lake Road – 0%	1,250	0	(1,250)	0	0
2014 Rapp-Montgomery Road and Bridges – 0%	155,047	0	(3,606)	151,441	3,606
2012 River Road Emergency Slip Repair – 0%	19,419	0	(413)	19,006	413
2012 Bridge Replacement & Salyers – 0%	222,223	0	(5,556)	216,667	5,556
2002 Pike Lake Road Project – 0%	5,946	0	(1,189)	4,757	1,189
2003 Loy's Run – 0%	13,500	0	(2,250)	11,250	2,250
2004 Coal Dock Road – 0%	25,000	0	(3,125)	21,875	3,125
2005 Owl Creek Road – 0%	37,500	0	(3,750)	33,750	3,750
2006 County Multi-Bridge Project – 0%	87,634	0	(7,303)	80,331	7,303
2004 Buck Hollow Road – 0%	7,431	0	(929)	6,502	929
2009 Adams Road Bridge – 0%	92,500	0	(4,625)	87,875	4,625
2010 Mifflin Twp Water Line – 0%	157,500	0	(3,750)	153,750	3,750
2008 Morgan's Fork Road – 0%	100,000	0	(6,250)	93,750	6,250
2002 River Road – 0%	15,625	0	(3,125)	12,500	3,125
2013 Multiple Box Culvert Replacements – 0%	504,135	0	(9,695)	494,440	9,695
2012 Three Bridge Replacement – 0%	476,667	0	(9,167)	467,500	9,167
2015 Bridge Replacements and Road Repair – 0%	523,863	0	(9,355)	514,508	9,355
2015 Six Bridge Replacements – 0%	290,000	0	(5,000)	285,000	5,000
2015 Boswell Run Road Bridge Replacement – 0%	142,500	0	(2,500)	140,000	2,500
2017 Culvert and Road Improvements – 0%	218,960	0	(4,760)	214,200	4,760
2016 County Wide Paving Project 2016 Phase I – 0%	630,000	0	(35,000)	595,000	35,000
2016 County Wide Paving Project 2016 Phase II – 0%	960,454	0	(53,359)	907,095	53,359
2017 Five Box Culverts – 0%	445,827	112,818	0	558,645	10,417
2019 Pike County & Pee Pee Twp Paving – 0%	745,878	0	(37,294)	708,584	37,294
2019 Pleasant Hill & Stockdale Road Bridge Replacement – 0%	36,774	19,404	0	56,178	0
2020 Pike County Various Infrastructure – 0%	0	123,709	0	123,709	0
Total OPWC Loans	5,923,133	255,931	(215,126)	5,963,938	224,293

	Outstanding 1/1/20	Issued	Retired	Outstanding 12/31/20	Amount Due in One Year
OWDA Loans					
2002 Water Pollution Control Loan – 0%	$5,625	$0	($2,250)	$3,375	$1,125
USDA Loans/Bonds					
2010 Airport Hangar Loan – 4%	266,100	0	(8,300)	257,800	8,657
2018 EMS Squads Bonds – 3.875%	326,000	0	(76,900)	249,100	79,900
2020 Dump Trucks Bonds – 2.125%	0	4,000	0	4,000	4,000
Total USDA Loans/Bonds	592,100	4,000	(85,200)	510,900	92,557
Revenue Bonds					
2009 Senior Center – 3.5%	1,287,400	0	(109,800)	1,177,600	113,600
2014 Health Complex – 3.65%	690,800	0	(35,400)	655,400	36,700
Total Revenue Bonds	1,978,200	0	(145,200)	1,833,000	150,300
Other Bonds					
2007 General Obligation – 4.4325%	914,400	0	(91,400)	823,000	122,000
2015 DD Facility – 3.35%	78,500	0	(12,000)	66,500	12,400
Total Other Bonds	992,900	0	(103,400)	889,500	134,400
Other Long-Term Obligations					
Compensated Absences	1,227,862	789,073	(807,774)	1,209,161	856,906
Capital Leases	61,432	5,297	(27,064)	39,665	19,224
Net Pension Liability					
OPERS	23,293,279	0	(8,381,679)	14,911,600	0
STRS	370,839	18,644	0	389,483	0
Total Net Pension Liability	23,664,118	18,644	(8,381,679)	15,301,083	0
Net OPEB Liability					
OPERS	10,472,634	0	(613,071)	9,859,563	0
Total Governmental Activities	$44,918,004	$1,072,945	($10,380,764)	$35,610,185	$1,478,805

	Outstanding 1/1/20	Issued	Retired	Outstanding 12/31/20	Amount Due in One Year
Business-Type Activities					
OWDA Loans					
2012 North Sewer System – 1.5%	$165,443	$0	($6,073)	$159,370	$3,071
2015 North Gate Sanitary Sewer Extension – 1.5%	71,610	0	(2,499)	69,111	1,264
2019 Regional WWTP Improvements – 2.28%	20,625	7,627	0	28,252	0
Total OWDA Loans	257,678	7,627	(8,572)	256,733	4,335
Other Long-Term Obligations					
Compensated Absences	12,846	9,797	(7,220)	15,423	9,289
Net Pension Liability					
OPERS	285,301	0	(108,770)	176,531	0
Net OPEB Liability					
OPERS	128,271	0	(11,547)	116,724	0
Total Business-Type Activities	$684,096	$17,424	($136,109)	$565,411	$13,624

Year	OPWC Loans	OWDA Loans	USDA Loans/Bonds		Revenue Bonds	
Ended	Principal	Principal	Principal	Interest	Principal	Interest
2021	$213,876	$1,125	$88,557	$19,964	$150,300	$65,470
2022	427,748	2,250	92,003	16,522	155,500	60,136
2023	419,685	0	95,563	12,945	161,200	54,617
2024	410,869	0	9,738	9,230	166,700	48,951
2025	402,761	0	10,127	8,841	172,700	42,980
2026-2030	1,716,166	0	57,047	37,795	804,700	118,544
2031-2035	538,001	0	69,406	25,434	221,900	20,915
2036-2040	538,011	0	84,459	10,359	0	0
2041-2045	406,936	0	0	0	0	0
2046-2049	151,353	0	0	0	0	0
Total	$5,225,406	$3,375	$506,900	$141,090	$1,833,000	$411,613

Year	General Obligation Bonds		DD Facility Bonds		Business-Type Activities OWDA Loans	
Ended	Principal	Interest	Principal	Interest	Principal	Interest
2021	$122,000	$39,360	$12,400	$2,259	$4,335	$1,713
2022	128,000	33,526	12,900	1,838	8,767	3,329
2023	135,000	27,404	13,300	1,399	8,898	3,198
2024	141,000	20,947	13,700	950	9,032	3,064
2025	148,000	14,204	14,200	482	9,168	2,928
2026-2030	149,000	7,128	0	0	47,953	12,525
2031-2035	0	0	0	0	51,676	8,804
2036-2040	0	0	0	0	55,684	4,795
2041-2044	0	0	0	0	32,968	836
Total	$823,000	$142,569	$66,500	$6,928	$228,481	$41,192

Amortization schedules are not yet available for certain OPWC and OWDA loans and USDA bonds, so the above amortization tables will not agree to the debt obligation tables shown on pages 66 through 68.

The Rural Development bonds and loans, OPWC loans, and general obligation bonds are subject to default stipulations. According to the Rural Development bond/loan agreements, if any payments of principal or accrued interest on the bonds or the performance of any covenant or agreement contained within the bond agreement, Rural Development, at its option, may a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the case of default, and/or c) take possession of the facility, repair, maintain, and operate or rent it. According to the OPWC loan agreements, if the County fails to make any payment due and is not corrected within thirty days, the amount in default shall bear interest thereafter at the default rate of 8 percent per annum from the date of default until the date of payment. In addition, the entire principal remaining unpaid, together with accrued interest and other charges shall, at OPWC's option, become immediately due and payment. According to the general obligation bond agreements, whenever any event of default shall have occurred and be continuing, the issuer, credit facility provider, or trustee shall, in addition to any other remedies within the agreement or by law provide, have the right, without any further demand or notice, to take such steps and exercise such remedies as shall be directed by the administrator or the credit facility provider, including, without limitation, one or more of the following: a) Take any action permitted or required pursuant to the indenture; b) Tendering the bonds to the County for immediate purchase; and c) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the agreement or to enforce any other of its or their rights under the agreement.

The County's legal margin as of December 31, 2020 is $1,830,947.

Conduit Debt Obligation

The County has served as the issuer of $10,500,000 in adjustable rate health care facilities revenue refunding bonds. The proceeds were used by a private corporation to finance and refinance the acquisition, construction, and equipping of certain improvements to existing facilities and will provide hospital facilities. The revenue bonds do not constitute an indebtedness of the County. Neither is the full faith and credit to taxing power of the County pledged to make repayment. As of December 31, 2020, $9,418,933 was still outstanding.

Note 18 – Notes Payable

A summary of the note transactions for the year ended December 31, 2020 follows:

	Outstanding 1/1/20	Issued	Retired	Outstanding 12/31/20
Nonmajor Capital Projects Fund				
Pike Senior Services	$96,350	$46,350	$96,350	$46,350

The notes are backed by the full faith and credit of Pike County. The note liability is reflected in the fund which received the proceeds and will be retired from the general revenues of the County. The notes scheduled to mature have interest rates of 2.25 percent.

This note is subject to default stipulations. According to the promissory note, if any event of default occurs, the lender may declare all indebtedness of the County to the lender under the note immediately due and payable without further notice of any kind notwithstanding anything to the contrary in the note or any other agreement. The lender may also pursue any other remedy available under any document related to the promissory note, at law, or in equity.

Note 19 – Interfund Transactions

For the year ended December 31, 2020, the County made the following transfers between funds:

	Transfers In	Transfers Out
Major Funds		
General	$0	$287,598
Board of Developmental Disabilities	0	39,500
Nonmajor Funds		
Dog and Kennel	95,000	0
Emergency Medical Services	10,000	0
Children Services	0	6,515
VOCA Grant	5,121	0
Bulletproof Vest Grant	1,100	0
Senior Citizens Levy	0	209,184
MIECHV Grant	25,000	0
Pike County Consolidated Bond Retirement	89,758	0
Airport Hangars Notes Debt Service	3,600	0
EMS USDA Debt Service	89,533	0
Pike County Senior Citizens Debt Service	209,184	0
Debt Service	14,501	0
Total Nonmajor Funds	542,797	215,699
Total All Funds	$542,797	$542,797

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 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 use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers comply with all applicable laws.

Note 20 – Jointly Governed Organizations

Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self Insurance Council is a jointly governed organization that serves Athens, Hocking, Jackson, Meigs, Monroe, Morgan, Noble, Perry, Pike, Vinton, and Washington Counties and was formed as an insurance purchasing pool for the purpose of providing general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the organization base on actuarially determined rates. The degree of control exercised by any participating government is limited to its representation on the Board. Pike County does not have any ongoing interest or responsibility in the organization.

Ohio Government Risk Management Plan

The Buckeye Joint-County Self Insurance Council belongs to the Ohio Government Risk Management Plan; an unincorporated non-profit association with approximately 500 public entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each member's needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the member's deductible. The Plan uses conventional insurance coverages and reinsures these coverages. The Plan retains a small portion of the risk as identified in the Plan's financial statements presented on the website at www.ohioplan.com. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties

The Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring, and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway, and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board receives revenue from the participating counties and receives federal and state funding through grant monies which are applied for and received by the Board of Trustees.

Pike County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Pike County has no ongoing financial interest or responsibility. During 2020, Pike County contributed $386,999 to the program.

Hocking Valley Community Residential Center

Hocking Valley Community Residential Center is a jointly governed organization created to construct and operate the Center for the rehabilitation of juvenile felony offenders. The multi-county agreement members are Pike, Hocking, Fairfield, Washington, Lawrence, Meigs, Jackson, Athens, Gallia, Vinton, and Scioto Counties. The Juvenile Judge of each county is the respective county's representative to the Board of Advisors which in turns selects the superintendent of the Center.

The participating counties shall not be obligated to furnish funds for the construction or operation of the Center. All funds will be from the State of Ohio. Pike County does not have financial interest or responsibility.

South Central Regional Juvenile Detention Center

The South Central Regional Juvenile Detention Center is a jointly governed organization that was created as a holding place for juvenile offenders waiting for disposition by the respective juvenile courts of the member counties. The current members include Pike, Ross, Jackson, Fayette, Vinton, and Highland Counties. The Center's Board consists of one member from each participating county that is appointed by the Juvenile Court Judge or a County Commissioner from each county. The joint Board selects the superintendent as the Center's administrator.

The Center's revenue is from per diem charges for inmates to the respective counties and a percentage of the county tax base to the total tax base. Ross County is the fiscal agent of the Center. Pike County does not have any financial interest or responsibility. During 2020, Pike County contributed $183,772 to the Center.

Ohio Valley Resource Conservation and Development Area, Inc.

The Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservation and Development Area, Inc. was created to aid regional planning to participating counties. Pike County, along with Ross, Vinton, Highland, Brown, Adams, Scioto, Jackson, Gallia, and Lawrence Counties, each appoints three members to the thirty-member Council. The Council selects an administrator to oversee operations.

Each county contributes $100 annually; other revenues are from USDA grants. Pike County does not have any financial interest or responsibility nor can it significantly influence the management of the Center.

Job Training Partnership Consortium

The Governor has designated Pike, Scioto, Adams, Jackson, Highland, and Brown Counties as a Service Delivery Area. A Job Training Partnership Agreement between Pike, Scioto, Adams, Jackson, Highland, and Brown Counties Consortium and the Private Industry Council (PIC) was entered into pursuant to the provisions of the Job Training Partnership Act of 1982 (the Act) Public Law 97-300. The objective of the JTPA is to provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. Funds for the operations of the JTPA are received through grant revenue from the State of Ohio. Scioto County has been designated by the PIC, pursuant to Section 103 (b) (1) (B) of the Act, to serve as the grant recipient of all JTPA funds and any other federal, state, or private funds which it is legally empowered to accept on behalf of the PIC.

Each Board of County Commissioners must choose a Chief Elected Official (CEO) to represent the County in the JTPA. The CEO is responsible for approving job training plans, grants, policies, and operating guidelines for the administration of the programs, delegation of duties for the programs, and appointment/termination of the Director of the Job Training Partnership Office. Pike County does not have any financial interest or responsibility.

Private Industry Council (PIC)

The PIC is a jointly governed organization consisting of representatives from the private and public sectors of Pike, Scioto, Adams, Jackson, and Brown Counties appointed by the County Commissioners from each county. The Board of Trustees is the governing board of the PIC. The Board of Trustees elects a President, Vice President, Secretary, Treasurer, and an Executive Director. The President may execute, without limitation, contracts, bonds, notes, debentures, deeds, mortgages, and other obligations in the name of the PIC. The County does not have any financial interest or responsibility. The Private Industry Council received no contributions from the County during 2020.

Southern Ohio Development Initiative

Southern Ohio Development Initiative was created with assistance from the U.S. Department of Energy to assist in the development of industrial areas to offset the potential downsizing and privatization of the Uranium Enrichment Plant in Piketon, Ohio. It is a legally separate not-for-profit corporation with representatives from each of the counties impacted by the events at the Piketon Plant. The Counties involved in this initiative are Pike, Ross, Scioto, and Jackson Counties. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Initiative received no contributions from the County during 2020.

Southern Ohio Council of Governments

The Pike County Board of Developmental Disabilities is a member of the Southern Ohio Council of Governments (the Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a fifteen-member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Pike County Board of Developmental Disabilities' supportive living program monies. The County had a $78,238 balance on hand with the Council which includes investments at cost. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, VA Medical Center, Building 8, 17273 State Route 104, Chillicothe, Ohio 45601.

Note 21 – Related Organizations

Garnet A. Wilson Library of Pike County

The Garnet A. Wilson Library of Pike County is a political subdivision that is governed by a board of trustees appointed by the County Commissioners. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Library received no contributions from the County during 2020.

Pike Metropolitan Housing Authority

The Pike Metropolitan Housing Authority is a political subdivision that consists of five members. One member is appointed by the probate court, one member by the court of common pleas, one member by the board of county commissioners, and two members by the chief executive officer of the most populous city included in the district, in accordance with the last preceding federal census. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Authority received $97,601 from the County during 2020.

Pike Adult Activities Center

The Pike Adult Activities Center, dba Canal Industries, is a nonprofit organization that is governed by a self-appointed Board. The Pike Adult Activities Center provides services to adults in Pike County and has a contract with Pike County Board of Developmental Disabilities to provide certain services to these adults. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The amount of payments made by the County to the Pike Adult Activities Center was $88,576 in 2020 for goods and services plus the annual contract amount.

Note 22 – 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.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The County's investment portfolio and the investments of the pension and other employee benefit plan in which the County participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the County received CARES Act funding. Of the amounts received, $9,400 was sub-granted to other organizations. These amounts are reflected as legislative and executive expenditures in the coronavirus relief nonmajor special revenue fund in the accompanying financial statements.

Note 24 – Fund Balances

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

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	$0	$474,261	$0	$0	$0	$474,261
Prepaid Items	56,467	12,803	20,921	18,716	37,977	146,884
Unclaimed Monies	276,635	0	0	0	0	276,635
Other Purposes	133,404	0	0	0	0	133,404
Total Nonspendable	466,506	487,064	20,921	18,716	37,977	1,031,184
Restricted						
Loans	0	0	0	0	247,456	247,456
Capital Projects	0	0	0	0	143,563	143,563
Debt Service	0	0	0	0	336,702	336,702
Community Development	0	0	0	0	671,832	671,832
Law Enforcement	0	0	0	0	144,328	144,328
Children Services	0	0	0	0	1,485,284	1,485,284
Child Support Enforcement	0	0	0	0	715,211	715,211
Motor Vehicle Gasoline Tax	0	3,307,387	0	0	0	3,307,387
Court Services	0	0	0	0	217,824	217,824
Senior Citizens	0	0	0	0	759,330	759,330
Board of Developmental Disabilities	0	0	4,841,207	0	0	4,841,207
Job and Family Services	0	0	0	148,375	0	148,375
Emergency Medical Services	0	0	0	0	520,264	520,264
Real Estate Assessment	0	0	0	0	226,657	226,657
Other Federal and State Programs	0	0	0	0	2,036,580	2,036,580
Total Restricted	0	3,307,387	4,841,207	148,375	7,505,031	15,802,000
Unassigned (Deficit)	7,912,422	0	0	0	(293,008)	7,619,414
Total Fund Balances	$8,378,928	$3,794,451	$4,862,128	$167,091	$7,250,000	$24,452,598

Note 25 – New Accounting Pronouncements/Restatement of Beginning Balances

For the year ended December 31, 2020, the County was required to implement Governmental Accounting Standards Board Statements No. 83, "Certain Asset Retirement Obligations," No. 84, "Fiduciary Activities," No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements," and No. 90, "Majority Equity Interests."

GASB Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The guidance also identifies the circumstances that trigger recognition of these transactions.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position. Statement No. 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose trust funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 88, among other things, clarifies which liabilities governments should include in their note disclosures related to debt. Statement No. 88 requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. Statement No. 88 defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Statement No. 88 also requires governments to disclose additional essential debt-related information for all types of debt, including: amounts of unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant: (a) events of default with finance-related consequences, (b) termination events with finance-related consequences, and (c) subjective acceleration clauses.

GASB Statement No. 90 clarifies the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. Under Statement No. 90, a government entity should report its majority equity interest in a legally separate organization as an investment if that equity interest meets the GASB's definition of an investment. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, Statement No. 90 requires a government to report the legally separate entity as a component unit. Statement No. 90 also establishes guidance for remeasuring assets and liabilities of wholly acquired governmental organizations that remain legally separate. That guidance brings the reporting of those acquisitions in line now with existing standards that apply to acquisitions that do not remain legally separate.

For 2020, the County also implemented the Governmental Accounting Standards Board's (GASB) Implementation Guides No. 2018-1 and 2019-2.

Changes in financial statement presentation and note disclosures have been incorporated with the implementation of GASB Statement No. 84. Beginning net position/fund balances have also been restated, as discussed below. Changes in note disclosures have been incorporated with the implementation of GASB Statement No. 88. None of the other aforementioned statements had an impact on the County's previously reported net position or fund balances or note disclosures.

Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its agency funds and determined that each will now be presented as the new fiduciary fund classification of custodial fund. The County did have some funds that were required to be reclassified to another fund type. In addition, errors were noted in previously reported cash balances of agency funds as well as errors in previously reported net position of governmental activities related to property and sales taxes and grants receivable. Adjustments were also made to previously reported accounts payable in the Pike County Sewer enterprise fund due to an adjustment to the balance after resolution of a dispute between the County and the sewer service provider regarding calculation of previous bills. Restatements were proposed to correct these errors. These reclassifications and restatements had the following effect on beginning net position for governmental activities, business-type activities, and custodial funds and fund balances of various governmental and enterprise funds.

	Governmental Activities	Business-Type Activities/Sewer Fund	Custodial
Net Position, As Reported, December 31, 2019	$25,889,820	$5,981,800	$0
GASB Statement No. 84:			
Reclass of Residual Balances to Net Position	0	0	5,199,631
Reclass of Funds	225,733	513	(113,394)
Error in Previously Reported Cash Balances	0	0	(90,428)
Errors in Property and Sales Taxes	1,175,656	0	0
Errors in Intergovernmental Receivables	(1,287,494)	0	0
Adjustment to Accounts Payable for Previous Sewer Billings	0	713,367	0
Net Position, As Restated, January 1, 2020	$26,003,715	$6,695,680	$4,995,809

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance, As Reported, December 31, 2019	$6,219,659	$3,638,419	$4,859,283	$505,026	$7,410,566	$22,632,953
Reclass of Funds	78,809	3,976	32,534	8,113	102,301	225,733
Fund Balance, As Restated, January 1, 2020	$6,298,468	$3,642,395	$4,891,817	$513,139	$7,512,867	$22,858,686

Pike County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability
Ohio Public Employees Retirement System
Last Seven Years

	2014	2015	2016	2017	2018	2019	2020
Pension (1)							
County's proportion of the net pension liability	0.0611830%	0.0611830%	0.0781520%	0.0821170%	0.0892060%	0.0860910%	0.0763350%
County's proportionate share of the net pension liability	$7,212,679	$7,379,353	$13,536,912	$18,647,375	$13,994,692	$23,578,580	$15,088,131
County's covered-employee payroll	$10,615,570	$7,810,198	$8,441,153	$8,248,467	$11,698,365	$10,810,217	$10,554,527
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	67.94%	94.48%	160.37%	226.07%	119.63%	218.11%	142.95%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%
OPEB (2)							
County's proportion of the net OPEB liability	N/A	N/A	N/A	0.0782869%	0.0844100%	0.0813100%	0.0722260%
County's proportionate share of the net OPEB liability	N/A	N/A	N/A	$7,907,243	$9,166,304	$10,600,905	$9,976,287
County's covered-employee payroll	N/A	N/A	N/A	$8,248,467	$11,698,365	$10,810,217	$10,554,527
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	95.86%	78.36%	98.06%	94.52%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	54.05%	54.14%	46.33%	47.80%

The amounts presented for each year were determined as of December 31 of the previous year, which is the County's measurement date.
(1) Information not available prior to 2014.
(2) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Pike County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Eight Years

	2013	2014	2015	2016	2017	2018	2019	2020
Pension (1)								
County's proportion of the net pension liability	0.00207886%	0.00207886%	0.00225361%	0.00212676%	0.00208900%	0.00171992%	0.00167691%	0.00160967%
County's proportionate share of the net pension liability	$602,328	$505,651	$622,832	$711,891	$496,246	$378,172	$370,839	$389,483
County's covered-employee payroll	$194,764	$230,200	$253,029	$241,557	$232,564	$217,900	$189,907	$197,536
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	309.26%	219.66%	246.15%	294.71%	213.38%	173.55%	195.27%	197.17%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.71%	72.09%	66.80%	75.30%	77.30%	77.40%	75.50%
OPEB (2)								
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	0.00208900%	0.00171992%	0.00167691%	0.00160967%
County's proportionate share of the net OPEB (asset)	N/A	N/A	N/A	N/A	$0	($27,637)	($27,774)	($28,290)
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	$81,505	$0	$0	$0
County's covered-employee payroll	N/A	N/A	N/A	N/A	$232,564	$217,900	$189,907	$197,536
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	35.05%	-12.68%	-14.63%	-14.32%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	N/A	47.11%	176.00%	174.74%	182.10%

The amounts presented for each year were determined as of June 30 of the current year, which is the County's measurement date.
(1) Information not available prior to 2014.
(2) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Pike County

Required Supplementary Information

Schedule of the County's Contributions

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Ohio Public Employees Retirement System-Local Government										
Contractually required contribution - pension	$1,031,463	$1,137,753	$1,250,398	$852,532	$897,804	$838,310	$1,338,816	$1,348,819	$1,349,424	$1,348,527
Contractually required contribution - OPEB	412,585	455,101	96,184	142,089	149,634	139,718	102,986	0	0	0
Contractually required contribution - total	1,444,048	1,592,854	1,346,582	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527
Contributions in relation to the contractually required contribution	1,444,048	1,592,854	1,346,582	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$10,314,629	$11,377,529	$9,618,443	$7,104,436	$7,481,700	$6,985,914	$10,298,586	$9,634,421	$9,638,743	$9,632,336
Contributions as a percentage of covered-employee payroll - pension	10.00%	10.00%	13.00%	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	4.00%	4.00%	1.00%	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Ohio Public Employees Retirement System-Law Enforcement										
Contractually required contribution - pension	$140,654	$155,148	$170,509	$113,628	$154,474	$203,271	$239,362	$212,819	$165,757	$221,591
Contractually required contribution - OPEB	39,902	44,014	9,971	14,115	19,187	25,251	13,998	0	0	0
Contractually required contribution - total	180,556	199,162	180,480	127,743	173,661	228,522	253,360	212,819	165,757	221,591
Contributions in relation to the contractually required contribution	180,556	199,162	180,480	127,743	173,661	228,522	253,360	212,819	165,757	221,591
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$997,547	$1,100,343	$997,127	$705,762	$959,453	$1,262,552	$1,399,779	$1,175,796	$915,785	$1,224,260
Contributions as a percentage of covered-employee payroll - pension	14.10%	14.10%	17.10%	16.10%	16.10%	16.10%	17.10%	18.10%	18.10%	18.10%
Contributions as a percentage of covered-employee payroll - OPEB	4.00%	4.00%	1.00%	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%
State Teachers Retirement System										
Contractually required contribution - pension	$22,354	$25,319	$29,926	$32,894	$33,818	$32,559	$30,506	$26,587	$27,655	$27,344
Contractually required contribution - OPEB	1,720	1,948	2,302	2,530	0	0	0	0	0	0
Contractually required contribution - total	24,074	27,267	32,228	35,424	33,818	32,559	30,506	26,587	27,655	27,344
Contributions in relation to the contractually required contribution	24,074	27,267	32,228	35,424	33,818	32,559	30,506	26,587	27,655	27,344
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$171,957	$194,764	$230,200	$253,029	$241,557	$232,564	$217,900	$189,907	$197,536	$195,314
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in Assumptions

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-1/7/2013 retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-1/7/2013 retirees	See below	See below	See below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

OPEB

Changes in Assumptions

Investment Return Assumption:	
Beginning in 2019	6 percent
2018	6.5 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10 percent, initial 3.5 percent, ultimate in 2030
2019	10 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Note 2 – State Teachers Retirement System

Pension

Changes in Assumptions

Amounts reported beginning in 2017 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented as follows:

	2017	2016 and Prior
Inflation	2.5 percent	2.75 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments	0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning in 2017, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For 2016 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022 – Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and to set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

OPEB

Changes in Assumptions

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.

Changes in Benefit Terms

For 2020, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 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.

Pike 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 Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
Passed Through Ohio Department of Job and Family Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5980	$0	$182,897
Total SNAP Cluster			0	182,897
Total United States Department of Agriculture			**0**	**182,897**
United States Department of Housing and Urban Development				
Passed Through Ohio Development Services Agency:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-19-1CI-1	0	53,844
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-19-1CI-1	0	145,578
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-X-18-1CI-1	0	8,874
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	208,296
Total United States Department of Housing and Urban Development			**0**	**208,296**
United States Department of Justice				
Passed through State of Ohio Attorney General:				
Crime Victim Assistance	16.575	2020-VOCA-132923673	0	13,815
Crime Victim Assistance	16.575	2021-VOCA-133917837	0	8,326
Total Crime Victim Assistance			0	22,141
Total United States Department of Justice			**0**	**22,141**
United States Department of Transportation				
Direct:				
Airport Improvement Program	20.106	3-39-0088-014-2019	0	11,399
Airport Improvement Program	20.106	3-39-0088-015-2020	0	160,583
Total Airport Improvement Program			0	171,982
Passed Through Ohio Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	108129	0	71,699
Highway Planning and Construction	20.205	108262	0	533
Highway Planning and Construction	20.205	108463	0	56,087
Highway Planning and Construction	20.205	108464	0	14,093
Highway Planning and Construction	20.205	110515	0	18,894
Total Highway Planning and Construction Cluster			0	161,306
Total United States Department of Transportation			**0**	**333,288**
United States Department of the Treasury				
Passed Through Ohio Office of Budget and Management:				
COVID-19 Coronavirus Relief Fund Local Government Assistance Progra	21.019	N/A	9,400	1,593,836
Passed Through Ohio Supreme Court:				
COVID-19 Coronavirus Relief Fund Local Government Assistance Progra	21.019	20-RTG-0100	0	9,785
COVID-19 Coronavirus Relief Fund Local Government Assistance Progra	21.019	20-RTG-0100	0	141,408
Total COVID-19 Coronavirus Relief Fund Local Government Assistance Program			9,400	1,745,029
Total United States Department of the Treasury			**9,400**	**1,745,029**

(continued)

Pike 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 Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Energy				
Passed Through Ohio Environmental Protection Agency:				
Office of Environmental Waste Processing	81.104	EM0004290	$0	$18,524
Total United States Department of Energy			**0**	**18,524**
United States Department of Education				
Passed Through Ohio Department of Education:				
Special Education Cluster (IDEA):				
Special Education-Grants to States	84.027	3M20	0	12,771
Special Education-Grants to States (IDEA Restoration)	84.027A	3M20	0	11,014
Special Education-Preschool Grants	84.173	3C50	0	963
Special Education-Preschool Grants (Preschool Restoration)	84.173A	3C50	0	316
Total Special Education Cluster (IDEA)			0	25,064
Passed Through Ohio Department of Developmental Disabilities:				
Special Education-Grants for Infants and Families	84.181	H181A1900024	0	9,047
Special Education-Grants for Infants and Families	84.181	N/A	0	13,000
Total Special Education-Grants for Infants and Families			0	22,047
Total United States Department of Education			**0**	**47,111**
United States Election Assistance Commission (EAC)				
Passed Through Ohio Secretary of State:				
HAVA Security and Accessibility Grant	90.404	N/A	0	8,037
COVID-19 Help America Vote Act	90.404	N/A	0	21,806
HAVA Elections Security Grant	90.404	N/A	0	26,175
Total United States Election Assistance Commission (EAC)			**0**	**56,018**
United States Department of Health and Human Services				
Passed Through Ohio Department of Job and Family Services:				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	G-2021-11-5980	290,212	1,687,738
Total TANF Cluster			290,212	1,687,738
Passed Through Ohio Department of Job and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2021-11-5980	0	58,719
Total CCDF Cluster			0	58,719
Passed Through Ohio Department of Developmental Disabilities:				
Social Services Block Grant	93.667	2001OHSOSR	0	12,623
Passed Through Ohio Department of Job and Family Services:				
Social Services Block Grant	93.667	G-2021-11-5980	0	298,937
Total Social Services Block Grant			0	311,560
Medicaid Cluster:				
Passed Through Ohio Department of Developmental Disabilities:				
Medical Assistance Program	93.778	2005OH5ADM	0	242,158
Medical Assistance Program	93.778	2105OH5ADM	0	89,859
Total Medical Assistance Program			0	332,017
Passed Through Ohio Department of Job and Family Services:				
Medical Assistance Program	93.778	G-2021-11-5980	0	572,095
Total Medical Assistance Program			0	572,095
Total Medicaid Cluster			0	904,112

(continued)

Pike 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 Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Promoting Safe and Stable Families	93.556	G-2021-11-5980	$0	$16,421
Child Support Enforcement	93.563	G-2021-11-5980	0	214,895
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5980	0	17,567
Foster Care-Title IV-E	93.658	G-2021-11-5980	0	1,213,759
Adoption Assistance	93.659	G-2021-11-5980	0	162,301
Passed Through Ohio Department of Health:				
Maternal, Infant, and Early Childhood Home Visiting	93.870	06610021MH0420	0	345,013
Maternal, Infant, and Early Childhood Home Visiting	93.870	06610021MH0521	0	74,992
Total Medical Assistance Program			0	420,005
Total United States Department of Health and Human Services			**290,212**	**5,007,077**
United States Department of Homeland Security				
Passed Through Ohio Emergency Management Agency:				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR-131-USEYE-00	0	493,928
Emergency Management Performance Grants:				
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005	0	25,525
Emergency Management Performance Grants	97.042	EMC-2020-EP-00004	0	24,637
Total Emergency Management Performance Grants			0	50,162
Total United States Department of Homeland Security			**0**	**544,090**
Total Federal Awards Expenditures			**$299,612**	**$8,164,471**

N/A - pass-through entity number not available.
N - direct from the federal government

See the accompanying notes to the schedule of federal awards expenditures.

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Pike County (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 financial position, or cash flows, where applicable, of the County.

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Indirect Cost Rate

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

Note 4 – Matching Requirements

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

Note 5 - Subrecipients

The County passes certain federal awards received from the United States Department of the Treasury and the United States Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As note 2 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 6 – Transfers Between Federal Programs

During 2020, the County made allowable transfers of $238,014 from the Social Services Block Grant (SSBG) (93.667) program to the Temporary Assistance for Needy Families (TANF) (93.558) program. The schedule shows the County spent $298,937 on the Social Services Block Grant program. The amount reported for the Social Services Block Grant program on the schedule excludes the amount transferred to the TANF program. The amount transferred to the TANF program is included as TANF expenditures when disbursed. The following table shows the gross amount drawn for the Social Services Block Grant program during 2020 and the amount transferred to the Temporary Assistance for Needy Families program.

Social Services Block Grant	$536,951
Transfer to Temporary Assistance for Needy Families	(238,014)
Total Social Services Block Grant	$298,937

Note 7 – Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Grant Programs with Revolving Loan Cash Balances

The cash balances in the County's local program income accounts as of December 31, 2020 were $24,568 for CDBG and $27,113 for HOME.

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

Board of Commissioners
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Pike 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 July 1, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We also noted the County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, and restated beginning net position and fund balances as a result of this implementation.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal controls, described in the accompanying schedule of findings that we considered material weaknesses. We consider findings 2020-001 through 2020-003 to be material weaknesses.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response 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

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

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 1, 2022

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

Independent Auditor's Report

Board of Commissioners
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

Report on Compliance for Each Major Federal Program

We have audited Pike County's, Ohio (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance 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 express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Millhuff-Stang CPA Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 1, 2022

Section I – Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	COVID-19 Coronavirus Relief Fund, AL #21.019; Temporary Assistance for Needy Families, AL #93.558; Foster Care, AL #93.658
Dollar threshold used to distinguish between type A and type B programs:	Type A: >$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2020-001

Material Weakness – Financial Reporting

A monitoring system by the County should be in place to prevent or detect misstatements for the fair presentation of the County's financial statements, and which would also include assurance that changes in accounting pronouncements are properly implemented, as applicable.

Various errors and misclassifications were identified in the financial including related to intergovernmental receivables, grant revenue, charges for services, expenses, and payables. Most of these errors and misclassifications were deemed immaterial and correction to the financial statements was waived. However, one of the errors identified related to the overstatement of intergovernmental revenues and expenses and misclassification of other revenue was deemed necessary to correct in the financial statements. Additionally, we noted that the County restated its beginning net position to account for previous errors identified which related to property and sales taxes, intergovernmental receivables, and accounts payable.

The County should adopt proper procedures to ensure that financial information is accurately presented in the financial statements.

Client Response:
See accompanying correction action plan.

Finding 2020-002

Material Weakness – Budgetary Information Within the Accounting System

Accurate budgetary information within the County's accounting system is pertinent to ensure that the County has accurate and complete information for decision-making processes. We noted a variance of $920,716 in the Board of DD fund when comparing system estimated resources to the County's final amended certificate. This amount agrees to the estimated property taxes reported on the final amended certificate. The County should implement the appropriate procedures to ensure that all authorized budgetary amendments are properly posted to the accounting system.

Client Response:
See accompanying correction action plan.

Finding 2020-003

Material Weakness - Tax Collection

Ohio Revised Code Section 319.29 - 319.53 defines the duties of the County Auditor in the tax collection process. The County Auditor is required to submit a list of properties, assessed values and taxes assessed on those properties (referred to as a tax duplicate) to the County Treasurer for collection on or before the third Monday of August, annually.

Ohio Rev. Code §§ 5713.30 - 5713.99 prescribes the requirements and procedures for participation in the Current Agricultural Use Valuation (CAUV) tax reduction program. Parcel owners who qualify to participate are required to complete an initial application for the first year and a renewal application for each year thereafter to remain in the program. R.C. § 5713.31(A).

Ohio Rev. Code § 323.152(A) prescribes the requirements and procedures for participation in the Homestead reduction program. Parcel owners are eligible to participate in the program if they are: (i) A person who is permanently and totally disabled; (ii) A person who is sixty-five years of age or older; or (iii) A person who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in taxes under this division in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies. Additionally, the parcel owner must occupy the parcel.

Ohio Rev. Code §§ 323.152(B)-(E) prescribes the requirements and procedures for participation in the Homestead reduction program.

We identified 2,570 parcels that received the Homestead credit for taxes collected in 2020. We selected a sample of 5 parcels receiving Homestead credit to determine if the individual had an approved application on file. Of the 5 parcels sampled, 1 parcel did not have an application on file, therefore we could not determine eligibility. The other 4 parcels tested had an appropriately approved application on file, and the exemption was properly granted.

We identified 6,690 parcels that received Homesite (Owner Occupancy) credit for taxes collected in 2020. We selected a sample of 5 parcels receiving Homesite credit to determine if the individual had an approved application on file. Of the 5 parcels sampled, 4 parcels did not have an application on file, therefore we could not determine eligibility. The remaining parcel had an application that on file that was properly approved, and the exemption was properly granted.

The County should document and maintain documentation for all changes to the values abstract, duplicate, and tax reduction programs. Additionally, the County should develop controls to ensure that homestead and owner occupancy are not given to duplicate parcel owners.

Client Response:
See accompanying correction action plan.

Section III – Federal Award Findings and Questioned Costs

None.

Davida K. Brown
Pike County Auditor

Pike County Government Center
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690-1222
Phone: 740-947-4125

Schedule of Prior Year Audit Findings
December 31, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
Finding 2019-001	Material Weakness – Financial Reporting	No	Reissued as Finding 2020-001
Finding 2019-002	Material Weakness/Noncompliance – Ohio Revised Code Section 117-2-01(A)	No	Reissued in Management Letter
Fining 2019-003	Material Weakness – Property Tax Cycle	Yes	Reissued as Finding 2020-003

Davida K. Brown
Pike County Auditor

Pike County Government Center
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690-1222
Phone: 740-947-4125

Corrective Action Plan
For the Year Ended December 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	This issue was discussed with the complier. Adjustments were made in the 2021 compilation.	7/1/2022	Davida Brown, County Auditor
2020-002	We will carefully double check the estimated resources to the Certificate of Revenue.	12/31/2021	Davida Brown, County Auditor
2020-003	A corrective action plan was put in place in 2019 to ensure applications are being filed for all new applicants, that the applications are being completed in their entirety and that there is a consistent policy for storing/filing the applications. Names on new applications are also being cross-reference in the system to avoid duplications.	2019	Davida Brown, County Auditor

OHIO AUDITOR OF STATE
KEITH FABER

PIKE 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 9/22/2022