



OHIO AUDITOR OF STATE
KEITH FABER



**PERRY COUNTY
DECEMBER 31, 2020**

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**PERRY COUNTY
DECEMBER 31, 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Perry County
P.O. Box 127
105 North Main Street
New Lexington, Ohio 43764

To the Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, business-type activities, each major fund, and the discretely presented component unit and remaining fund information of the County, as of December 31, 2020, and the respective changes in modified cash financial position and where applicable cash flows and the respective budgetary comparison for the General, Job and Family Services, Board of Developmental Disabilities, and Auto License and Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

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.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2022, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent initial "K".

Keith Faber
Auditor of State
Columbus, Ohio

March 2, 2022

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Perry County
Statement of Net Position - Modified Cash Basis
As of December 31, 2020

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Perry County Land Reutilization Corporation
	Activities	Activities		
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,323,757	\$382,884	\$32,706,641	\$0
Cash and Cash Equivalents in Segregated Accounts	733,313	3,435	736,748	86,482
Cash and Cash Equivalents with Fiscal Agents	390,489	0	390,489	0
<i>Total Assets</i>	<u>33,447,559</u>	<u>386,319</u>	<u>33,833,878</u>	<u>86,482</u>
Net Position				
Restricted for:				
Job and Family Services Operations	869,069	0	869,069	0
Auto License and Gasoline Tax Operations	3,523,439	0	3,523,439	0
Board of Development Disabilities Operations	3,367,729	0	3,367,729	0
County Home Operations	1,749,648	0	1,749,648	0
Dog and Kennel Operations	39,467	0	39,467	0
Mental Health Operations	86,100	0	86,100	0
Public Transportation	135,982	0	135,982	0
Child Support Enforcement	849,518	0	849,518	0
Children Services Operations	2,998,568	0	2,998,568	0
Senior Center Operations	429,593	0	429,593	0
Other Human Services Operations	75,855	0	75,855	0
Real Estate Assessment	1,332,607	0	1,332,607	0
Court Operations	1,083,479	0	1,083,479	0
Corrections Operations	561,265	0	561,265	0
Public Safety Operations	780,484	0	780,484	0
Community and Economic Development	220,078	0	220,078	0
Conservation and Recreation	44,905	0	44,905	0
Deputy Registrar Operations	204,532	0	204,532	0
Elections Operations	128,835	0	128,835	0
Coronavirus Grant	609,660	0	609,660	0
Unclaimed Monies	112,398	0	112,398	0
Debt Service	57,302	0	57,302	0
Capital Outlay	22,714	0	22,714	0
Unrestricted	14,164,332	386,319	14,550,651	86,482
<i>Total Net Position</i>	<u>\$33,447,559</u>	<u>\$386,319</u>	<u>\$33,833,878</u>	<u>\$86,482</u>

See accompanying notes to the basic financial statements.

Perry County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2020

	Program Receipts			
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$3,931,083	\$2,492,147	\$124,555	\$0
Judicial	2,292,217	562,891	353,028	0
Public Safety	6,195,392	297,377	2,536,356	0
Public Works	11,269,808	1,287,787	10,038,063	0
Health	4,362,730	258,671	1,201,474	0
Human Services	13,262,374	1,463,493	9,053,507	0
Conservation and Recreation	748,697	0	2,628	0
Community and Economic Development	1,265,829	195,464	1,334,372	0
Capital Outlay	3,073,269	397,929	1,226,297	620,682
Intergovernmental	33,232	0	46,408	0
Debt Service:				
Principal Retirement	489,584	97,705	91,526	0
Interest and Fiscal Charges	104,731	14,906	13,963	0
Issuance Costs	17,879	0	0	0
<i>Total Governmental Activities</i>	<u>47,046,825</u>	<u>7,068,370</u>	<u>26,022,177</u>	<u>620,682</u>
Business-Type Activities				
Northern Perry County Water	937,563	1,001,594	0	0
Northern Perry County Wastewater	1,616,021	858,374	0	373,449
<i>Total Business-Type Activities</i>	<u>2,553,584</u>	<u>1,859,968</u>	<u>0</u>	<u>373,449</u>
<i>Total Primary Government</i>	<u>\$49,600,409</u>	<u>\$8,928,338</u>	<u>\$26,022,177</u>	<u>\$994,131</u>
Component Unit				
Perry County Land Reutilization Corporation	\$320,995	\$0	\$311,630	\$0
<i>Total Component Unit</i>	<u>\$320,995</u>	<u>\$0</u>	<u>\$311,630</u>	<u>\$0</u>

General Receipts and Transfers

Property Taxes Levied for:

- General Purposes
- Board of Developmental Disabilities
- Community Mental Health
- Children Services
- County Home
- Senior Center

Sales Taxes Levied for General Purposes

Other Local Taxes

Grants and Entitlements not Restricted to Specific Programs

Gifts and Donations not Restricted to Specific Programs

Interest

Miscellaneous

Transfers

Bond Anticipation Notes Issued

Proceeds of OPWC Loans

Proceeds of OWA Loans

Premium on Debt Issued

Total General Receipts and Transfers

Change in Net Position

Net Position Beginning of Year-Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements) Receipts and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Perry County Land Reutilization Corporation
(\$1,314,381)	\$0	(\$1,314,381)	\$0
(1,376,298)	0	(1,376,298)	0
(3,361,659)	0	(3,361,659)	0
56,042	0	56,042	0
(2,902,585)	0	(2,902,585)	0
(2,745,374)	0	(2,745,374)	0
(746,069)	0	(746,069)	0
264,007	0	264,007	0
(828,361)	0	(828,361)	0
13,176	0	13,176	0
(300,353)	0	(300,353)	0
(75,862)	0	(75,862)	0
(17,879)	0	(17,879)	0
(13,335,596)	0	(13,335,596)	0
0	64,031	64,031	0
0	(384,198)	(384,198)	0
0	(320,167)	(320,167)	0
(13,335,596)	(320,167)	(13,655,763)	0
			(9,365)
			(9,365)
3,353,272	0	3,353,272	0
3,375,640	0	3,375,640	0
470,215	0	470,215	0
1,587,354	0	1,587,354	0
1,779,581	0	1,779,581	0
425,005	0	425,005	0
4,770,427	0	4,770,427	0
10,298	0	10,298	0
914,588	0	914,588	0
11,654	0	11,654	0
394,154	0	394,154	0
1,627,560	40,698	1,668,258	0
101,550	(101,550)	0	0
1,900,000	0	1,900,000	0
135,000	0	135,000	0
0	373,449	373,449	0
17,879	0	17,879	0
20,874,177	312,597	21,186,774	0
7,538,581	(7,570)	7,531,011	(9,365)
25,908,978	393,889	26,302,867	95,847
\$33,447,559	\$386,319	\$33,833,878	\$86,482

Perry County
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
As of December 31, 2020

	General	Job and Family Services	Board of Developmental Disabilities
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,621,537	\$869,069	\$2,803,239
Cash and Cash Equivalents in Segregated Accounts	24,077	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	390,489
Restricted Cash and Cash Equivalents	112,398	0	0
<i>Total Assets</i>	<u>\$8,758,012</u>	<u>\$869,069</u>	<u>\$3,193,728</u>
Fund Balances			
Nonspendable	\$112,398	\$0	\$0
Restricted	0	869,069	3,193,728
Committed	0	0	0
Assigned	271,217	0	0
Unassigned (Deficit)	8,374,397	0	0
<i>Total Fund Balances</i>	<u>\$8,758,012</u>	<u>\$869,069</u>	<u>\$3,193,728</u>

*Reconciliation of Total Governmental Fund Balances to Net Position of Governmental
Activities - Modified Cash Basis*

Total Governmental Fund Balances	\$32,806,583
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Amounts reported for governmental activities in the statement of net position are different because:

An internal service fund is used by management to charge the cost of insurance to individual funds. The assets of the internal service fund are included in governmental activities in the statement of net position.

640,976

Net Position of Governmental Activities

\$33,447,559

See accompanying notes to the basic financial statements.

Auto License and Gasoline Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$3,523,111	\$3,637,145	\$12,729,331	\$32,183,432
328	0	95,859	120,264
0	0	0	390,489
0	0	0	112,398
<u>\$3,523,439</u>	<u>\$3,637,145</u>	<u>\$12,825,190</u>	<u>\$32,806,583</u>
\$0	\$0	\$0	\$112,398
3,523,439	0	11,584,593	19,170,829
0	3,637,145	1,242,247	4,879,392
0	0	0	271,217
0	0	(1,650)	8,372,747
<u>\$3,523,439</u>	<u>\$3,637,145</u>	<u>\$12,825,190</u>	<u>\$32,806,583</u>

Perry County
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Job and Family Services	Board of Developmental Disabilities
Receipts			
Property Taxes	\$3,353,272	\$0	\$3,375,640
Sales Taxes	4,770,427	0	0
Other Local Taxes	0	0	0
Charges for Services	1,704,785	681,287	36,995
Licenses and Permits	1,557	0	0
Fines and Forfeitures	217,924	0	0
Intergovernmental	984,776	5,901,388	1,154,185
Interest	387,140	0	0
Rent	0	0	0
Contributions and Donations	11,654	0	0
Miscellaneous	524,635	296,480	123,848
<i>Total Receipts</i>	<u>11,956,170</u>	<u>6,879,155</u>	<u>4,690,668</u>
Disbursements			
Current:			
General Government:			
Legislative and Executive	2,921,427	0	0
Judicial	1,925,908	0	0
Public Safety	3,103,014	0	0
Public Works	10,802	0	0
Health	84,089	0	3,650,735
Human Services	516,671	6,516,686	0
Conservation and Recreation	309,638	0	0
Community and Economic Development	21,517	0	0
Capital Outlay	0	0	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	86,284	0	0
Interest and Fiscal Charges	0	0	0
Issuance Costs	0	0	0
<i>Total Disbursements</i>	<u>8,979,350</u>	<u>6,516,686</u>	<u>3,650,735</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,976,820	362,469	1,039,933
Other Financing Sources (Uses)			
Transfers In	0	0	0
Bond Anticipation Notes Issued	0	0	0
Proceeds of OPWC Loans	0	0	0
Premium on Debt Issued	0	0	0
Advances In	35,073	0	0
Transfers Out	(534,895)	0	(174,001)
Advances Out	(211,799)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(711,621)</u>	<u>0</u>	<u>(174,001)</u>
<i>Net Change in Fund Balances</i>	2,265,199	362,469	865,932
<i>Fund Balances at Beginning of Year-Restated</i>	<u>6,492,813</u>	<u>506,600</u>	<u>2,327,796</u>
<i>Fund Balances at End of Year</i>	<u><u>\$8,758,012</u></u>	<u><u>\$869,069</u></u>	<u><u>\$3,193,728</u></u>

See accompanying notes to the basic financial statements.

Auto License and Gasoline Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$4,262,155	\$10,991,067
0	0	0	4,770,427
0	0	10,298	10,298
544,295	0	2,843,647	5,811,009
0	0	534,920	536,477
5,615	0	342,290	565,829
7,691,750	0	11,691,053	27,423,152
5,937	0	105,550	498,627
0	0	155,055	155,055
0	0	22,808	34,462
73,051	0	609,546	1,627,560
8,320,648	0	20,577,322	52,423,963
0	0	1,015,419	3,936,846
0	0	370,892	2,296,800
0	0	3,101,280	6,204,294
7,726,038	0	3,538,829	11,275,669
0	0	633,343	4,368,167
0	0	6,244,153	13,277,510
0	0	439,059	748,697
0	0	1,244,312	1,265,829
535,000	1,260,342	1,277,927	3,073,269
0	0	33,232	33,232
68,300	0	335,000	489,584
0	0	104,731	104,731
0	17,879	0	17,879
8,329,338	1,278,221	18,338,177	47,092,507
(8,690)	(1,278,221)	2,239,145	5,331,456
0	0	810,446	810,446
0	1,900,000	0	1,900,000
135,000	0	0	135,000
0	17,879	0	17,879
0	0	211,799	246,872
0	0	0	(708,896)
0	0	(35,073)	(246,872)
135,000	1,917,879	987,172	2,154,429
126,310	639,658	3,226,317	7,485,885
3,397,129	2,997,487	9,598,873	25,320,698
\$3,523,439	\$3,637,145	\$12,825,190	\$32,806,583

Perry County
*Reconciliation of the Statement of Modified Cash Receipts, Disbursements and Changes in Fund
Balances - Governmental Funds to the Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2020*

Net Change in Fund Balances - Total Governmental Funds \$7,485,885

Amounts reported for governmental activities in the statement of activities are different because:

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund disbursements and the related internal service fund receipts are eliminated. The net receipt (disbursement) of the internal service fund is allocated among the governmental activities. 52,696

Net Change in Net Position of Governmental Activities \$7,538,581

See accompanying notes to the basic financial statements.

Perry County
Statement of Receipts, Disbursements and Change 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	
Receipts				
Property Taxes	\$2,618,000	\$2,618,000	\$3,274,875	\$656,875
Sales Taxes	3,900,000	3,900,000	4,770,427	870,427
Charges for Services	1,143,290	1,143,290	1,468,929	325,639
Licenses and Permits	1,350	1,350	1,557	207
Fines and Forfeitures	261,000	261,000	227,404	(33,596)
Intergovernmental	1,285,000	1,285,000	984,776	(300,224)
Interest	375,000	375,000	246,081	(128,919)
Contributions and Donations	0	0	24	24
Miscellaneous	8,000	8,000	285,454	277,454
<i>Total Receipts</i>	9,591,640	9,591,640	11,259,527	1,667,887
Disbursements				
Current:				
General Government:				
Legislative and Executive	2,861,749	2,996,322	2,885,357	110,965
Judicial	1,859,806	1,886,149	1,754,462	131,687
Public Safety	3,549,766	3,429,226	3,218,532	210,694
Public Works	10,802	10,802	10,802	0
Health	173,956	170,741	101,609	69,132
Human Services	628,439	654,746	633,902	20,844
Conservation and Recreation	311,263	311,263	310,232	1,031
Community and Economic Development	21,500	21,522	21,522	0
<i>Total Disbursements</i>	9,417,281	9,480,771	8,936,418	544,353
<i>Excess of Receipts Over Disbursements</i>	174,359	110,869	2,323,109	2,212,240
Other Financing Sources (Uses)				
Advances In	0	0	35,073	35,073
Transfers Out	(534,895)	(534,895)	(534,895)	0
Advances Out	0	(20,000)	(211,799)	(191,799)
<i>Total Other Financing Sources (Uses)</i>	(534,895)	(554,895)	(711,621)	(156,726)
<i>Net Change in Fund Balances</i>	(360,536)	(444,026)	1,611,488	2,055,514
<i>Fund Balances at Beginning of Year</i>	1,993,288	1,993,288	1,993,288	0
<i>Prior Year Encumbrances Appropriated</i>	194,087	194,087	194,087	0
<i>Fund Balances at End of Year</i>	\$1,826,839	\$1,743,349	\$3,798,863	\$2,055,514

See accompanying notes to the basic financial statements.

Perry County
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$525,000	\$693,000	\$681,287	(\$11,713)
Intergovernmental	7,412,000	6,461,500	5,901,388	(560,112)
Miscellaneous	2,000	36,373	35,500	(873)
<i>Total Receipts</i>	7,939,000	7,190,873	6,618,175	(572,698)
Disbursements				
Current:				
Human Services	8,040,626	6,753,022	6,658,787	94,235
<i>Total Disbursements</i>	8,040,626	6,753,022	6,658,787	94,235
<i>Net Change in Fund Balances</i>	(101,626)	437,851	(40,612)	(478,463)
<i>Fund Balances at Beginning of Year</i>	279,119	279,119	279,119	0
<i>Prior Year Encumbrances Appropriated</i>	106,913	106,913	106,913	0
<i>Fund Balances at End of Year</i>	\$284,406	\$823,883	\$345,420	(\$478,463)

See accompanying notes to the basic financial statements.

Perry County
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual (Budget Basis)
Board of Developmental Disabilities Funds
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	\$2,734,700	\$2,734,700	\$3,297,574	\$562,874
Charges for Services	73,800	73,800	36,995	(36,805)
Intergovernmental	1,631,909	1,642,109	1,022,490	(619,619)
Miscellaneous	15,000	15,000	63,828	48,828
<i>Total Receipts</i>	4,455,409	4,465,609	4,420,887	(44,722)
Disbursements				
Current:				
Health	4,456,092	4,385,553	3,736,665	648,888
<i>Total Disbursements</i>	4,456,092	4,385,553	3,736,665	648,888
<i>Excess of Receipts Over (Under) Disbursements</i>	(683)	80,056	684,222	604,166
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	0
Transfers Out	(100,000)	(274,001)	(274,001)	0
<i>Total Other Financing Sources (Uses)</i>	0	(174,001)	(174,001)	0
<i>Net Change in Fund Balances</i>	(683)	(93,945)	510,221	604,166
<i>Fund Balances at Beginning of Year-Restated</i>	1,780,311	1,780,311	1,780,311	0
<i>Prior Year Encumbrances Appropriated</i>	126,387	126,387	126,387	0
<i>Fund Balances at End of Year</i>	\$1,906,015	\$1,812,753	\$2,416,919	\$604,166

See accompanying notes to the basic financial statements.

Perry County
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual (Budget Basis)
Auto License and Gasoline Tax Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$362,000	\$362,000	\$544,295	\$182,295
Fines and Forfeitures	12,000	12,000	5,823	(6,177)
Intergovernmental	4,694,600	4,694,600	7,291,750	2,597,150
Interest	6,000	6,000	5,728	(272)
Miscellaneous	2,400	2,400	12,294	9,894
<i>Total Receipts</i>	5,077,000	5,077,000	7,859,890	2,782,890
Disbursements				
Current:				
Public Works	5,246,031	8,723,873	7,830,333	893,540
<i>Total Disbursements</i>	5,246,031	8,723,873	7,830,333	893,540
<i>Net Change in Fund Balances</i>	(169,031)	(3,646,873)	29,557	3,676,430
<i>Fund Balances at Beginning of Year</i>	3,198,704	3,198,704	3,198,704	0
<i>Prior Year Encumbrances Appropriated</i>	169,031	169,031	169,031	0
<i>Fund Balances at End of Year</i>	\$3,198,704	(\$279,138)	\$3,397,292	\$3,676,430

See accompanying notes to the basic financial statements.

Perry County
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
As of December 31, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Assets		
Equity in Pooled Cash and Cash Equivalents	\$382,884	\$27,927
Cash and Cash Equivalents in Segregated Accounts	3,435	613,049
<i>Total Assets</i>	386,319	640,976
Net Position		
Unrestricted	386,319	640,976
<i>Total Net Position</i>	\$386,319	\$640,976

See accompanying notes to the basic financial statements.

Perry County
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Operating Receipts		
Charges for Services	\$1,859,968	\$5,443,636
Miscellaneous	1,163	0
<i>Total Operating Receipts</i>	<u>1,861,131</u>	<u>5,443,636</u>
Operating Disbursements		
Personal Services	263,733	5,125,231
Contractual Services	120,819	272,723
Materials and Supplies	163,548	0
Capital Outlay	858,021	0
Other	4,335	0
<i>Total Operating Disbursements</i>	<u>1,410,456</u>	<u>5,397,954</u>
<i>Operating Income</i>	450,675	45,682
Nonoperating Receipts (Disbursements)		
Interest	0	7,014
Capital Grants	373,449	0
Proceeds of OWDA Loans	373,449	0
Other Nonoperating Receipts	39,535	0
Debt Service:		
Principal Retirement	(924,563)	0
Interest and Fiscal Charges	(218,565)	0
<i>Total Nonoperating Receipts (Disbursements)</i>	<u>(356,695)</u>	<u>7,014</u>
<i>Income Before Transfers</i>	93,980	52,696
Transfers Out	<u>(101,550)</u>	<u>0</u>
<i>Change in Net Position</i>	(7,570)	52,696
<i>Net Position Beginning of Year</i>	<u>393,889</u>	<u>588,280</u>
<i>Net Position End of Year</i>	<u><u>\$386,319</u></u>	<u><u>\$640,976</u></u>

See accompanying notes to the basic financial statements.

Perry County
Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
Cash Flows from Operating Activities		
Cash Received from Customers	\$1,859,968	\$0
Cash Received from Transactions with Other Funds	0	5,443,636
Cash Payments for Employee Services and Benefits	(263,733)	(5,125,231)
Cash Payments to Suppliers for Goods and Services	(1,146,723)	(272,723)
Other Operating Receipts	1,163	0
Other Nonoperating Receipts	39,535	0
<i>Net Cash Provided by Operating Activities</i>	490,210	45,682
Cash Flows from Noncapital Financing Activities		
Transfers to Other Funds	(101,550)	0
<i>Net Cash Used for Noncapital Financing Activities</i>	(101,550)	0
Cash Flows from Capital and Related Financing Activities		
Capital Grants	373,449	0
Proceeds from OWDA Loans	373,449	0
Principal Paid on Debt	(924,563)	0
Interest and Fiscal Charges Paid on Debt	(218,565)	0
<i>Net Cash Used for Noncapital Financing Activities</i>	(396,230)	0
Cash Flows from Investing Activities		
Investment Earnings	0	7,014
<i>Net Cash Provided by Investing Activities</i>	0	7,014
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(7,570)	52,696
<i>Cash and Cash Equivalents Beginning of Year</i>	393,889	588,280
<i>Cash and Cash Equivalents End of Year</i>	\$386,319	\$640,976
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$450,675	\$45,682
<i>Adjustments:</i>		
Other Nonoperating Receipts	39,535	0
Net Cash Provided by Operating Activities	\$490,210	\$45,682

See accompanying notes to the basic financial statements.

Perry County
Statement of Fiduciary Net Position - Modified Cash Basis
Custodial Funds
As of December 31, 2020

Assets

Equity in Pooled Cash and Cash Equivalents	\$7,171,129
Cash and Cash Equivalents in Segregated Accounts	<u>681,495</u>
<i>Total Assets</i>	<u>7,852,624</u>

Net Position

Restricted for Individuals, Organizations, and Other Governments	<u>7,852,624</u>
<i>Total Net Position</i>	<u><u>\$7,852,624</u></u>

See accompanying notes to the basic financial statements.

Perry County
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Custodial Funds
For the Year Ended December 31, 2020

Additions

Interest, Dividends, and Other Investment Income	\$211
Intergovernmental	5,135,477
Amounts Received as Fiscal Agent	9,136,913
Licenses and Permits and Fees for Other Governments	191,062
Fines and Forfeitures for Other Governments	2,870,340
Property Tax Collections for Other Governments	29,276,469
Sheriff Sale Collections for Others	329,732
<i>Total Additions</i>	46,940,204

Deductions

Distributions as Fiscal Agent	7,685,106
Distributions of State Funds to Other Governments	5,013,598
Distributions to the State of Ohio	172,324
Fines and Forfeitures Distributions to Other Governments	2,787,872
Property Tax Distributions to Other Governments	29,284,230
Sheriff Sale Distributions to Others	345,181
<i>Total Deductions</i>	45,288,311

Change in Net Position 1,651,893

Net Position at Beginning of Year-Restated 6,200,731

Net Position at End of Year \$7,852,624

See accompanying notes to the basic financial statements.

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Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

Perry County, Ohio (the County) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a board of three County Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County’s operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements 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 composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Perry County, this includes the Perry County Board of Developmental Disabilities (BDD), Perry County Home, Children Services Board, and departments and activities that are directly operated by the elected County officials.

Component Units

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 budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In the past, the County has reported the Perry County Airport Authority as a component unit. With the implementation of Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus”, the County determined it is not misleading to exclude the Perry County Airport Authority as it does not have a measurable influence on the County’s financial statements for the year.

The Perry County Land Reutilization Corporation (the Corporation) was created in 2016 for the purposes of facilitating the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within Perry County; efficiently holding and managing vacant, abandoned, or tax-foreclosed real property pending its reclamation, rehabilitation, and reutilization; assisting governmental entities and other nonprofit or for-profit persons to assemble, clear, and clear the title of property described in division (B)(2) of Section 1724.01 of the Ohio Revised Code in a coordinated manner; and promoting economic and housing development in Perry County. In furtherance thereof, the Corporation shall have and may exercise all the powers of a “county land reutilization corporation,” as defined in Section 1724.01 of the Ohio Revised Code, to the extent such powers are granted to a county land reutilization corporation and are set forth in Section 1724.02 of the Ohio Revised Code, Chapter 5722 of the Ohio Revised Code, or another section of the Ohio Revised Code expressly applicable to a county land reutilization corporation, now in effect and as may hereafter be amended (and to the corresponding provisions of any similar laws subsequently enacted). The Corporation is classified as a component unit of Perry County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61, and has incorporated the financial activity of the Corporation within its financial statements. More information about this organization can be found in note 24.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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

- Perry County Soil and Water Conservation District – The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.
- Perry County Health Department – The Department is governed by the Board of Health which oversees the operation of the Department and is elected by a regional advisory council comprising township trustees, mayors of participating municipalities, and one County Commissioner. The council adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and federal grants applied for by the District.
- Perry County Family and Children First Council – The Perry County Family and Children First Council is created under Ohio Revised Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Revised Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Human Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. The Council's revenues will consist of operating grants along with pooled funding from other government sources. During 2020, the County paid \$79,094 to the Council. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management.

The County participates in eight jointly governed organizations, one related organization, two joint ventures, and two insurance purchasing pools. These organizations are presented in notes 16 through 19 to the basic financial statements. These organizations are:

- Buckeye Hills Resource Conservation and Development Council (RC&D)
- Buckeye Hills Regional Council
- Coshocton-Fairfield-Licking-Perry Solid Waste District
- Mental Health and Recovery Services Board of Muskingum County
- Mid-East Ohio Regional Council (MEORC)
- Perry County Family and Children First Council
- Local Workforce Investment Board
- Mid-Ohio Regional Planning Commission (MORPC)
- Perry Metropolitan Housing Authority
- Corrections Commission of Southeastern Ohio
- Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System
- County Risk Sharing Authority, Inc. (CORSA)
- County Employee Benefits Consortium of Ohio, Inc. (CEBCO)

The financial statements exclude the following entities which perform activities within the County's boundaries for the benefit of its residents because the County is not financially accountable for these entities nor are they fiscally dependent on the County:

- Muskingum Valley Educational Service Center

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

- Hocking Technical College (Perry County Branch)

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position-modified cash basis and the statement of activities-modified cash basis 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 fund is eliminated to avoid "doubling up" receipts and cash disbursements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services, if any.

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

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

Fund Financial Statements

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

Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

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

- General – The general fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose, provided it is expended or transferred according to the general laws of Ohio.
- Job and Family Services – This fund accounts for various federal and state grants as well as transfers from the general fund restricted to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.
- Board of Developmental Disabilities – This fund accounts for assistance for the mentally handicapped and developmentally disabled. A county-wide property tax levy, along with federal and state grants, provides the revenues for this fund.
- Auto License and Gasoline Tax – This fund accounts for State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State law to County road and bridge repair/improvements programs.
- Capital Projects – This fund will be used to account for resources and costs associated with the design and renovation of the courthouse.

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

Proprietary Funds

The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County did not have any major enterprise funds.

The nonmajor enterprise funds are used to account for the revenues generated from the charges for distribution of water and sanitary sewer services to residential and commercial users within the County. The costs of providing these services are financed primarily through user charges.

Internal Service Fund – The internal service fund accounts 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 accounts for monies received for the activities of the insurance program for employee health benefits.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County did not have any trust funds during the year. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds account for amounts collected and distributed on behalf of another government or organization, such as activity for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

Cash and cash equivalents that are held separately within departments of the County are recorded as "cash and cash equivalents in segregated accounts".

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Cash that is held by Mid-East Ohio Regional Council (MEORC) is recorded as “cash with fiscal agents.” (See note 16)

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2020, the County invested in nonnegotiable certificates of deposit, negotiable certificates of deposit, money market funds, federal agency securities, municipal bonds, and STAR Ohio. Investments are reported at cost, except for STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2020 amounted to \$387,140, which includes \$347,424 assigned from other County funds.

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

Interfund Receivables/Payables

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

Accumulated Leave

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB system. 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 system reports investments at fair value.

Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general receipts. Transfers within governmental activities on the government-wide statements are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Long-Term Obligations

The County's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither 'other financing source' or 'capital outlay' are reported at inception. Lease payments are reported when 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 category 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** – 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 or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.
- **Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commission removes or changes the specified use by taking the

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners, separate from the authorization to raise the underlying revenue, therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners through resolutions or by State statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2021's appropriated budget.
- Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance 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 all other elements in a statement of financial position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Note 3 – Accountability and Compliance

Accountability

At December 31, 2020, the citizens corp grant nonmajor special revenue fund had a deficit fund balance of \$1,650.

Compliance

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

Contrary to Ohio law, appropriations exceeded the estimated resources in the Auto License and Gasoline Tax Fund by \$279,138 for the year ended December 31, 2020.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other nonmajor governmental funds are presented as follows:

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>							
Unclaimed Monies	\$112,398	\$0	\$0	\$0	\$0	\$0	\$112,398
<i>Restricted</i>							
County Home	0	0	0	0	0	1,749,648	1,749,648
Job and Family Services	0	869,069	0	0	0	0	869,069
Auto License and Gasoline Tax	0	0	0	3,523,439	0	0	3,523,439
Public Transportation	0	0	0	0	0	135,982	135,982
Board of Developmental Disabilities	0	0	3,193,728	0	0	174,001	3,367,729
Mental Health	0	0	0	0	0	86,100	86,100
Dog and Kennel	0	0	0	0	0	39,467	39,467
Senior Center	0	0	0	0	0	429,593	429,593
Capital Improvements	0	0	0	0	0	22,714	22,714
Debt Service	0	0	0	0	0	57,302	57,302
Public Safety	0	0	0	0	0	780,484	780,484
Corrections	0	0	0	0	0	561,265	561,265
Other Human Services	0	0	0	0	0	75,855	75,855
Child Support Enforcement	0	0	0	0	0	849,518	849,518
Courts	0	0	0	0	0	1,083,479	1,083,479
Community and Economic Development	0	0	0	0	0	220,078	220,078
Deputy Registrar	0	0	0	0	0	204,532	204,532
Children Services	0	0	0	0	0	2,998,568	2,998,568
Real Estate Assessments	0	0	0	0	0	1,332,607	1,332,607
Elections Operations	0	0	0	0	0	128,835	128,835
Conservation and Recreation	0	0	0	0	0	44,905	44,905
Coronavirus Grant	0	0	0	0	0	609,660	609,660
<i>Total Restricted</i>	0	869,069	3,193,728	3,523,439	0	11,584,593	19,170,829
<i>Committed</i>							
Capital Improvements	0	0	0	0	3,637,145	1,242,247	4,879,392
<i>Assigned</i>							
Purchases on Order	271,217	0	0	0	0	0	271,217
<i>Unassigned (Deficit)</i>							
	8,374,397	0	0	0	0	(1,650)	8,372,747
<i>Total</i>	<u>\$8,758,012</u>	<u>\$869,069</u>	<u>\$3,193,728</u>	<u>\$3,523,439</u>	<u>\$3,637,145</u>	<u>\$12,825,190</u>	<u>\$32,806,583</u>

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual (budget basis) presented for the general and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is (are) outstanding year end encumbrances, unreported cash, segregated cash accounts, cash held with fiscal agents, and perspective differences. Encumbrances are treated as expenditures (budgetary basis) rather than as a restriction, commitment, or assignment of fund balance (modified cash basis). Unreported cash, including cash held in custodial funds on behalf of County funds, are reported on the statement of modified cash receipts, disbursements, and changes in fund balances (modified cash basis), but not on the budgetary basis. Cash that is held by the Mid-East Ohio Regional Council on behalf of the County Board of Developmental Disabilities are reported on the modified cash basis. Cash is held in segregated accounts by certain departments within the County. These funds are reported on the modified cash basis but are not budgeted and therefore are not reported on the budgetary basis. Certain funds are included as part of the general fund for modified cash reporting purposes but are excluded for budgetary purposes. These funds include the unclaimed monies fund, records equipment needs fund, certificate of title fund, sheriff donation fund, reserve balance fund, and Medicaid transition fund.

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

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax
Modified Cash Basis	\$2,265,199	\$362,469	\$865,932	\$126,310
Beginning of Year:				
Unrecorded Cash	102,524	0	0	0
Segregated Cash	18,254	0	0	0
Custodial Fund Distribution	188,224	120,568	111,866	28,858
End of Year:				
Unrecorded Cash	(243,583)	0	0	0
Segregated Cash	(8,125)	0	0	0
Fiscal Agent Cash	0	0	(81,258)	0
Custodial Fund Distribution	(420,943)	(395,649)	(175,031)	(92,959)
Encumbrances	(266,623)	(128,000)	(211,288)	(32,652)
Perspective Differences	(23,439)	0	0	0
Budget Basis	<u>\$1,611,488</u>	<u>(\$40,612)</u>	<u>\$510,221</u>	<u>\$29,557</u>

The beginning balance of the board of developmental disabilities fund budgetary statement was restated to exclude balances held by the fiscal agent as these funds are not budgeted by the County.

Note 6 – 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:

Perry County
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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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (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.

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.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Cash on Hand – At year end, the County had \$3,500 in undeposited cash on hand which is included in the financial statements of the County as part of “equity in pooled cash and cash equivalents.”

Cash with Fiscal Agents – At year end, the County’s Board of Developmental Disabilities special revenue fund had “cash and cash equivalents with fiscal agents” held by MEORC in the amount of \$390,489.

Deposits – 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.

Investments – The fair value of these investments is not materially different than measurement value. As of December 31, 2020, the County had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Credit Rating	Percent of Total Investments
<i>Net Asset Value Per Share:</i>				
STAR Ohio	\$9,175,211	<1 Year	AAAm	58.32%
<i>Fair Value:</i>				
Federated Government Obligations Money Market	91,147	<1 Year	AAAm	0.58%
Negotiable Certificates of Deposit	488,957	<1 Year	N/A	3.11%
Negotiable Certificates of Deposit	1,260,786	1-3 Years	N/A	8.02%
Negotiable Certificates of Deposit	2,797,584	3-5 Years	N/A	17.79%
Municipal Bonds	563,897	1-3 Years	Aaa	3.59%
Federal Farm Credit Bank Bonds	750,120	1-3 Years	AA+	4.77%
Federal Home Mortgage Corporation Notes	600,534	1-3 Years	AA+	3.82%
Total	<u>\$15,728,236</u>			<u>100.00%</u>

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

Interest Rate Risk – As a means of limiting its exposure to fair value losses caused by rising interest rates, the County’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the County’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The Treasurer cannot make investments which she does not reasonably believe can be held until the maturity date.

Credit Risk – The County has no investment policy that would further limit its investment choices other than what has been approved by State statute.

Perry County
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Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk – Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of total investments is listed in the table above.

Discretely Presented Component Unit

The carrying balance of the Perry County Land Reutilization Corporation’s deposits at year-end was \$86,482. There are no statutory guidelines regarding the deposit and investment of funds for this not-for-profit corporation.

Note 7 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.50 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Proceeds of the tax are credited to the general fund. Vendor collections of the permissive sales tax are paid into the State Treasury by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget 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.

Note 8 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

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

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

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

The full tax rate for all County operations for the year ended December 31, 2020 was \$18.70 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2020 property tax receipts were based are as follows:

Real Property	\$594,430,820
Public Utility Tangible Personal Property	<u>259,794,100</u>
Total Assessed Value	<u><u>\$854,224,920</u></u>

Perry County
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The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County’s tax collections is accounted for within the applicable funds.

Note 9 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. Coverage provided by CORSA is as follows:

	Coverage	Deductible
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	5,000,000	0
Property	86,302,565	2,500
Equipment Breakdown	100,000,000	2,500
Crime	1,000,000	2,500
Uninsured Motorists Liability	250,000	0
Medical Professional Liability	3,000,000	0

With the exception of medical coverage and worker’s compensation, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from the prior year and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials’ bonds by statute.

For 2020, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker’s compensation group rating plan (Plan). The Plan is intended to achieve lower workers’ compensation rates while establishing safer working conditions and environments for the participants. The workers’ compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers’ compensation premium to the State based on the rate for the Plan rather than the County’s individual rate.

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

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

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), a risk-sharing pool, to provide health insurance benefits for employees. CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into the medical insurance internal service fund by participating funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County’s claims experience. An excess coverage policy covers annual individual claims in excess of \$100,000 with an unlimited maximum. CEBCO retains liability between \$100,000 and \$500,000. Any claim over \$500,000 is covered by stop loss with no maximum.

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For the Year Ended December 31, 2020

A comparison of medical insurance fund cash and investments to the actuarially-measured liability as of December 31 follows:

	2020	2019
Cash and Investments	\$640,976	\$588,280
Actuarial liabilities	13,200	136,900

Note 10 – Defined Benefit Retirement Plans

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

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 net pension/OPEB liability represent the County’s proportionate share of the pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability 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, the retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement system to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See note 11 for the 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

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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):

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

Final average salary 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

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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
<i>Statutory Maximum Contribution Rates</i>		
Employer	14.0 %	18.1 %
Employee*	10.0 %	**
 <i>Actual Contribution Rates</i>		
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.

For 2020, the County’s contractually required contribution was \$2,005,274 for the traditional plan, \$47,101 for the combined plan, and \$20,092 for the member-directed plan.

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Pension Liability

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 of the County's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.09957200%	0.07545900%	
Prior Measurement Date	<u>0.09962600%</u>	<u>0.08019500%</u>	
Change in Proportionate Share	<u>-0.00005400%</u>	<u>-0.00473600%</u>	
Proportionate Share of the:			
Net Pension Liability	\$19,681,081	\$0	\$19,681,081
Net Pension Asset	0	(157,350)	(157,350)

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:

	<u>Traditional</u>	<u>Combined</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-1/7/2013 retirees	3 percent, simple	3 percent, simple
Post-1/7/2013 retirees	1.4 percent, simple through 2020, then 2.15% simple	1.4 percent, simple through 2020, then 2.15% simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	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 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.

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

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

During 2019, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio, and the defined contribution portfolio. The defined benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the defined benefit portfolio was 17.2 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:

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	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$32,460,472	\$19,681,081	\$8,192,784
OPERS Combined Plan	(95,078)	(157,350)	(202,230)

Note 11 – Defined Benefit OPEB Plans

See note 10 for a description of the net OPEB liability.

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

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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.

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 County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.096207%
Prior Measurement Date	0.096480%
Change in Proportionate Share	-0.0002730%
Proportionate Share of the Net OPEB Liability	\$13,288,686

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

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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	<u>100.00%</u>	<u>4.55%</u>

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

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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	\$17,390,377	\$13,288,686	\$10,004,566

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	\$12,896,548	\$13,288,686	\$13,675,825

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.

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Note 12 – Capital Leases – Lessee Disclosure

In 2019, the County entered into lease-purchase agreements in order to provide equipment for the Sheriff’s Office. These leases met the criteria of capital leases as defined by the Statement of Financial Accounting Standards, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. These leases will be repaid in annual installments of \$101,576, including interest. The County made principal payments during 2020 in the amount of \$86,284. The remaining future long-term minimum lease payment required under the capital leases is \$93,620 as of December 31, 2020. Capital lease payments are reflected as debt service expenditures on the statements of modified cash receipts, disbursements, and changes in fund balances for governmental funds.

In accordance with the lease agreements, upon the occurrence of an event of default, and as long as such event of default under the leases is continuing, the lessor may, at its option, exercise any one or more of the following remedies: a) by written notice to the County, declare an amount equal to all amounts then due under that lease, and all remaining lease payments due under that lease during the fiscal year of the County in which the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; b) by written notice to the County, request the County to (and the County agrees that it will), at the County’s expense, promptly return the equipment under the leases to the lessor in the manner set forth in the lease agreement, or lessor, at its option, may enter upon the premises where the equipment under that lease is located and take immediate possession of and remove the same; c) sell or lease the equipment under that lease or sublease it for the account of the County, holding the County liable for all lease payments and other payments due to the effective date of such selling, leasing or subleasing and for the difference between the amount otherwise payable by the County under that lease and the purchase price, rental and other amounts paid by the purchaser, the lessee or sublessee pursuant to such sale, lease, or sublease; and d) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state where the equipment is then located or any other applicable law or proceed by appropriate court action to enforce the terms of that lease or to recover damages for the breach of that lease or to rescind that lease as to any or all of the equipment under that lease. In addition, the County will remain liable for all covenants and indemnities under this agreement and, to the extent permitted by law, for all legal fees and other costs and expenses, including court costs, incurred by the lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to the lessor.

Note 13 – Long-Term Obligations

Changes in the County's long-term obligations during the year consisted of the following:

	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amount Due Within One Year
<i>Governmental Activities:</i>					
<i>General Obligation Bonds:</i>					
2012 VP Improvement Refunding Bonds 2%-3%	\$615,000	\$0	(\$290,000)	\$325,000	\$325,000
2019 Children Services Capital Facilities Bonds 2.98%	1,140,000	0	(45,000)	1,095,000	45,000
<i>Total General Obligation Bonds</i>	1,755,000	0	(335,000)	1,420,000	370,000
2020 Capital Facilities Bond Anticipation Notes	0	1,900,000	0	1,900,000	1,900,000
Lease-Purchase Agreements	179,904	0	(86,284)	93,620	93,620

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	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amount Due Within One Year
<i>Ohio Public Works Commission Loans:</i>					
2017 County Road Paving Project 0%	\$162,715	\$0	(\$20,339)	\$142,376	\$0
2018 County Road Paving Project 0%	188,644	0	(20,961)	167,683	0
2019 County/Township/Village Coop Paving 0%	135,000	0	(13,500)	121,500	0
2019 County Road Paving 0%	135,000	0	(13,500)	121,500	0
2020 County Road Paving 0%	0	135,000	0	135,000	6,750
<i>Total Ohio Public Works Commission Loans</i>	<u>621,359</u>	<u>135,000</u>	<u>(68,300)</u>	<u>688,059</u>	<u>6,750</u>
Total Governmental Activities	<u>\$2,556,263</u>	<u>\$2,035,000</u>	<u>(\$489,584)</u>	<u>\$4,101,679</u>	<u>\$2,370,370</u>

	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amount Due Within One Year
Business-Type Activities:					
<i>Ohio Public Works Commission Loans:</i>					
2002 Water Systems Improvement Project 2%	\$29,542	\$0	(\$2,914)	\$26,628	\$0
2002 Sanitary Sewer Improvements II Project 2%	106,034	0	(13,349)	92,685	0
2009 Thornport-Thornville Wastewater Improvements Project 0%	252,904	0	(11,240)	241,664	0
2011 Waterline Extension Phase II 0%	37,604	0	(1,535)	36,069	0
<i>Total Ohio Public Works Commission Loans</i>	<u>426,084</u>	<u>0</u>	<u>(29,038)</u>	<u>397,046</u>	<u>0</u>

<i>Ohio Water Development Authority Loans:</i>					
2000 Water Line Construction 6.41%	39,559	0	(6,946)	32,613	3,641
2000 Robinwood Estates Sewer Improvements 6.03%	23,767	0	(3,397)	20,370	1,776
2000 Crown Wehrle Sewer Improvements 6.03%	12,804	0	(1,830)	10,974	957
2001 Water Meter Installation 1.5%	134,346	0	(10,298)	124,048	5,207
2002 Ceramic Road Area Sewers 1%	363,431	0	(25,275)	338,156	12,732
2003 Northern Perry Sewers Phase I 1%	572,749	0	(38,311)	534,438	19,299
2004 Waterline Extension 1%	271,707	0	(16,290)	255,417	8,206
2004 Waterline Extension Phase 1B 1%	287,480	0	(16,109)	271,371	8,115
2005 Waterline Extension Phase 1C 1%	1,741,126	0	(94,451)	1,646,675	47,580
2007 Sewer Extension Phase II 1.5%	5,757,273	0	(218,758)	5,538,515	111,605
2007 BORWD Waterline Extension 1%	723,297	0	(33,770)	689,527	17,012
2012 Waterline Extensions Phase II 0%-2%	593,011	0	(19,469)	573,542	9,881
2016 Scioto Youth Camp Waterline Extension 0%	26,639	0	(987)	25,652	493
2018 Moore's Junction Sanitary Sewers 0%	0	37,633	(37,633)	0	0
2018 Northern Perry Water Phase III Waterline Extension 0%	1,067,468	0	(36,185)	1,031,283	0
2018 Rehoboth Sanitary Sewers 8232 0%	0	62,069	(62,069)	0	0
2018 Rehoboth Sanitary Sewers 8259 0%	0	273,747	(273,747)	0	0
<i>Total Ohio Water Development Authority Loans</i>	<u>11,614,657</u>	<u>373,449</u>	<u>(895,525)</u>	<u>11,092,581</u>	<u>246,504</u>
Total Business-Type Activities	<u>\$12,040,741</u>	<u>\$373,449</u>	<u>(\$924,563)</u>	<u>\$11,489,627</u>	<u>\$246,504</u>

General Obligation Bonds and Bond Anticipation Notes

The Various Purpose Improvement Bonds were originally issued in 2001 in the amount of \$4,550,000, which consisted of \$2,995,000 in serial bonds and \$1,555,000 in term bonds. These bonds were issued for the purpose of paying the costs of

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acquiring and improving a building to house personnel and functions of the Human Services Department for \$460,000; to renovate the building to house personnel and functions of the Job and Family Services Department for \$2,600,000; and to acquire the Perry County Airport and improve the water supply and water works of the Northern Perry County Sewer District for \$1,490,000. These bonds were issued for a twenty year period with a final maturity date of December 1, 2021. The bonds are collateralized by the taxing authority of the County. These bonds were refunded in 2012.

On April 18, 2012, the County issued \$2,860,000 of Various Purpose Improvement Refunding Bonds to retire \$2,775,000 of the 2001 Various Purpose Improvement Bonds. The refunding bonds were issued for a ten year period with a final maturity at December 1, 2021. The \$2,860,000 bond issue consisted of serial bonds which were issued at a premium in the amount of \$59,222 and issuance costs of \$79,095. These bonds will be repaid from the debt service fund.

On July 29, 2019, the County issued \$1,140,000 of Capital Facilities Bonds to retire \$1,100,000 of bond anticipation notes issued in 2018 for the purpose of paying the costs of renovating, reconstructing, and otherwise improving the existing Children Services building and to cover issuance costs of \$40,000. The bonds were issued for a twenty year period with a final maturity of December 1, 2039. These bonds will be repaid from the debt service fund.

On February 6, 2020, the County issued \$1,900,000 of bond anticipation notes for the purpose of paying the costs of constructing a building for use by the County Board of Developmental Disabilities together with all necessary appurtenances thereto. These notes bear an interest rate of 2.125 percent and a maturity date of February 5, 2021.

Annual debt service requirements to maturity for the Various Purpose Improvement and Capital Facilities Bonds are as follows:

Year Ended December 31,	Various Purpose		Capital Facilities	
	Principal	Interest	Principal	Interest
2021	\$325,000	\$9,750	\$45,000	\$32,631
2022	0	0	45,000	31,290
2023	0	0	45,000	29,949
2024	0	0	50,000	28,608
2025	0	0	50,000	27,118
2026-2030	0	0	265,000	112,793
2031-2035	0	0	310,000	70,626
2036-2039	0	0	285,000	21,456
Total	\$325,000	\$9,750	\$1,095,000	\$354,471

Ohio Public Works Commission (OPWC) Loans – Governmental Funds

During 2017, the County issued an OPWC loan in the amount of \$203,394. The loan was issued for a County Road Paving Project. The loan was issued at zero percent interest and will mature in 2028.

During 2018, the County issued an OPWC loan in the amount of \$209,605. The loan was issued for a County Road Paving Project. The loan was issued at zero percent interest and will mature in 2029.

During 2019, the County issued an OPWC loan in the amount of \$135,000. The loan was issued for a County/Township/Village Cooperative Paving Project. The loan was issued at zero percent interest and will mature in 2030.

During 2019, the County issued an OPWC loan in the amount of \$135,000. The loan was issued for a County Road Paving Project. The loan was issued at zero percent interest and will mature in 2030.

During 2020, the County issued an OPWC loan in the amount of \$135,000. The loan was issued for a County Road Paving Project. The loan was issued at zero percent interest and will mature in 2031.

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Annual debt service requirements to maturity for these loans is as follows:

Year Ended December 31,	Principal
2021	\$6,750
2022	81,800
2023	81,800
2024	81,800
2025	81,799
2026-2030	347,360
2031	6,750
Total	<u>\$688,059</u>

Ohio Public Works Commission (OPWC) Loans – Water Enterprise Fund

The Ohio Public Works Commission (OPWC) Water Systems Improvement Project Loan was entered into in 2002 in the amount of \$65,903 for the purpose of financing improvements to the water system. Although the loan was entered into in 2002, the principal payments did not begin until 2007. The loan will be repaid in semiannual installments of \$2,007, including interest, over 20 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) Waterline Extension Phase II Project Loan was entered into in 2011 for the purpose of financing an extension to the County’s waterlines. The loan will be repaid in semiannual installments of \$767 over 30 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Annual debt service requirements to maturity for the remaining Ohio Public Works Commission Loans in the Water Fund are as follows:

Year Ended December 31,	Principal	Interest
2021	\$0	\$0
2022	5,045	505
2023	5,115	434
2024	5,187	362
2025	5,261	289
2026-2030	19,835	410
2031-2035	7,675	0
2036-2040	7,674	0
2041-2045	6,905	0
Total	<u>\$62,697</u>	<u>\$2,000</u>

Ohio Public Works Commission (OPWC) Loan – Sewer Enterprise Fund

The Ohio Public Works Commission (OPWC) Sanitary Sewer Improvements II Project Loan was entered into in 2002 in the amount of \$236,555 for the purpose of financing improvements to the sewer system. Although the loan was entered into in 2002, the principal payments did not begin until 2007. The loan will be repaid in semiannual installments of \$7,204, including interest, over 20 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover debt service requirements.

The Ohio Public Works Commission (OPWC) Thornport-Thornville Wastewater Improvements Project Loan was entered into in 2009 in the amount of \$337,206 for the purpose of financing improvements to the sewer system. This loan will be

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repaid in semiannual installments of \$5,620 over twenty years and the County has agreed to set utility rates sufficient to cover debt service requirements.

Annual debt service requirements to maturity for the Ohio Public Works Commission Loans in the Sewer Fund are as follows:

Year Ended December 31,	Principal	Interest
2021	\$0	\$0
2022	23,838	1,811
2023	24,091	1,558
2024	24,349	1,300
2025	24,613	1,036
2026-2030	96,954	1,473
2031-2035	56,200	0
2036-2040	56,204	0
2041-2043	28,100	0
Total	<u>\$334,349</u>	<u>\$7,178</u>

The OPWC loans are subject to default stipulations. 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.

Ohio Water Development Authority (OWDA) Loans –Water Enterprise Fund

The Ohio Water Development Authority (OWDA) Water Line Construction Loan relates to the extension of water lines of the water system. This loan will be repaid in semiannual installments of \$4,686, including interest, over twenty five years. In 2004, OWDA lowered the principal amount of this loan by \$6,493. The County has agreed to set utility rates sufficient to cover debt service requirements. In 2005, late fees of \$79 were added to the total principal amount of this loan and subsequently paid within the year.

The Ohio Water Development Authority (OWDA) Water Meter Installation Loan relates to a loan to install water meters in the Northern Perry County Water District. This loan will be paid in semiannual installments of \$6,138, including interest, over thirty years. The County has agreed to set utility rates sufficient to cover debt service requirements. In 2004, late fees of \$51 were added to the total principal amount of this loan and subsequently paid within the year.

The Ohio Water Development Authority (OWDA) Waterline Extension, Waterline Extension Phase 1B, Waterline Extension Phase 1C, and BORWD Waterline Extension Loans relate to planning loans for extending water lines. These loans will be paid in semiannual installments of \$9,483, \$9,472, \$55,813, and \$20,459 respectively, including interest, over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of these loans.

The Ohio Water Development Authority (OWDA) Waterline Extension Phase II Loan relates to the extension of waterlines. A portion of this loan was repaid through principal forgiveness. The remaining portion of the loan will be repaid in semiannual installments of \$15,616, including interest, over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this loan.

The Ohio Water Development Authority (OWDA) Scioto Youth Camp Waterline Extension Loan relates to the extension of waterlines. A portion of this loan was repaid through principal forgiveness. The remaining portion of the loan will be repaid in semiannual installments of \$493 over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this loan.

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The Ohio Water Development Authority (OWDA) Northern Perry County Water Phase III Waterline Extension Loan relates to the extension of Waterlines. A portion of this loan was repaid through principal forgiveness. The remaining portion of the loan will be repaid in semiannual installments over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this note. As of December 31, 2020, the County had drawn down \$1,085,561, net of loan forgiveness. As of December 31, 2020, no amortization schedule has been established.

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$6,942,802 in OWDA loans issued from 2000 to 2019. Proceeds from these loans provided financing for various water projects. The loans are payable solely from customer net revenues and are payable through 2047. Net revenues include all revenues received by the water utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in the years the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$5,057,620. Principal and interest payments for the current year were \$279,595, net revenues were \$389,874, and total revenues were \$1,042,292.

The OWDA loans listed above, except for the Northern Perry County Water Phase III Waterline Extension Loan, are included in the following amortization schedule. The Northern Perry County Water Phase III Waterline Extension Loan are not yet included as OWDA has not established a payment schedule.

Year Ended December 31,	Principal	Interest	Subsidy
2021	\$100,135	\$21,632	\$829
2022	202,256	41,415	653
2023	204,950	38,908	466
2024	207,702	36,355	267
2025	205,828	33,751	55
2026-2030	1,041,180	133,570	0
2031-2035	1,057,802	73,984	0
2036-2040	487,515	23,633	0
2041-2045	109,998	4,244	0
2046-2047	1,479	0	0
Total	<u>\$3,618,845</u>	<u>\$407,492</u>	<u>\$2,270</u>

Ohio Water Development Authority (OWDA) Loans – Sewer Enterprise Fund

The Ohio Water Development Authority (OWDA) Robinwood Estates Sewer Improvement Loan relates to a project to reline the sanitary sewers serving the Robinwood Estates Subdivision. This loan will be repaid in semiannual installments of \$2,390, including interest, over twenty five years. The County has agreed to set utility rates sufficient to cover debt service requirements. In 2004, late fees of \$37 were added to the total principal amount of this loan and subsequently paid within the year.

The Ohio Water Development Authority (OWDA) Crown Wehrle Sewer Improvements Loan is for improvements at the wastewater treatment plant mandated by the Ohio Environmental Protection Agency. This loan will be repaid in annual installments of \$1,287, including interest, over twenty five years. In 2004, OWDA lowered the principal amount of this loan by \$7,335. The County has agreed to set utility rates sufficient to cover debt service requirements.

The Ohio Water Development Authority (OWDA) Ceramic Road Area Sewers Loan relates to a project to construct a conventional gravity collection system and sewage treatment plant in the Ceramic Road area. This loan will be repaid in semiannual installments of \$14,423, including interest, over thirty years. The County has agreed to set utility rates sufficient to cover debt service requirements. In 2005, late fees of \$66 were added to the total principal amount of this loan and subsequently paid within the year.

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The Ohio Water Development Authority (OWDA) Northern Perry Sewers Phase I Loan relates to the construction of collection sewers to serve the northern part of the County surrounding Thornport. This loan will be repaid in semiannual installments of \$21,972, including interest, over the next twenty nine years. The County has agreed to set utility rates sufficient to cover debt service requirements. In 2005, late fees of \$101 were added to the total principal amount of this loan and subsequently paid within the year.

The Ohio Water Development Authority (OWDA) Sewer Extension Phase II Loan relates to a project for the installation of sewage lines located in the Buckeye Lake vicinity and the sewage will be sent to the Crown Wehrle Wastewater Treatment Plant. This loan will be repaid in semiannual installments of \$189,729, including interest, over the next thirty years. The County has agreed to set utility rates sufficient to cover debt service requirements.

The Ohio Water Development Authority (OWDA) Moore’s Junction Sanitary Sewers Loan relates to the sewer expansion in Moore’s Junction. This loan is being repaid through principal forgiveness. As of December 31, 2020, the County has drawn down \$2,175,988. This project is still ongoing.

The Ohio Water Development Authority (OWDA) Rehoboth Sanitary Sewers Loan relates to the sewer expansion in Rehoboth. This loan is being repaid through principal forgiveness. As of December 31, 2020, the County has drawn down \$989,973. This project is still ongoing.

The Ohio Water Development Authority (OWDA) Rehoboth Sanitary Sewer Loan relates to the sewer expansion in Rehoboth. This loan is being retired through grant proceeds. As of December 31, 2020, the County has drawn down \$631,040. This project is still ongoing.

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$8,945,983 in OWDA loans issued from 2000 to 2019. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from customer net revenues and are payable through 2040. Net revenues include all revenues received by the sewer utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in the years the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$8,176,479. Principal and interest payments for the current year were \$832,334, net revenues were \$847,234, and total revenues were \$1,605,272.

The OWDA loans listed above are included in the following amortization schedule.

Year Ended December 31,	Principal	Interest	Subsidy
2021	\$146,369	\$83,113	\$663
2022	298,038	161,012	552
2023	305,284	153,884	434
2024	312,755	146,537	309
2025	320,459	138,965	177
2026-2030	1,689,256	575,620	37
2031-2035	1,780,007	357,620	0
2036-2040	1,590,285	117,275	0
Total	<u>\$6,442,453</u>	<u>\$1,734,026</u>	<u>\$2,172</u>

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Capital Leases

Capital leases were paid from the general fund.

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total 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 \$6,000,000 plus two and one-half percent of the amount of the tax valuation in excess of \$300,000,000. The County's total debt margin was \$18,492,925 and the unvoted debt margin was \$7,179,551 at December 31, 2020.

Note 14 – Transfers and Advances

At December 31, 2020, the sewer and nonmajor governmental funds owed the general fund \$1,171,437 due to grant monies and OWDA loan proceeds not being received prior to disbursements being made.

Advances for the year ended December 31, 2020 consisted of the following:

	Advances In	Advances Out
<i>Major Governmental Fund:</i>		
General	\$35,073	\$211,799
Nonmajor Governmental Funds	211,799	35,073
Total Governmental Funds	246,872	246,872
Total All Funds	\$246,872	\$246,872

Interfund transfers for the year ended December 31, 2020 consisted of the following:

	Transfers In	Transfers Out
<i>Major Governmental Funds:</i>		
General	\$0	\$534,895
Board of Developmental Disabilities	0	174,001
Nonmajor Governmental Funds	810,446	0
Total Governmental Funds	810,446	708,896
Nonmajor Enterprise Fund	0	101,550
Total All Funds	\$810,446	\$810,446

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the general fund to nonmajor governmental funds were to help support those funds. Transfers from the nonmajor enterprise fund to nonmajor governmental funds were for debt service.

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Note 15 – Significant Commitments

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

General	\$271,217
Job and Family Services	133,300
Board of Developmental Disabilities	211,288
Auto License and Gasoline Tax	32,652
Capital Projects	4,500
Nonmajor Governmental Funds	<u>1,193,836</u>
Total	<u>\$1,846,793</u>

Note 16 – Jointly Governed Organizations

Buckeye Hills Resource Conservation and Development Council (RC&D)

The Buckeye Hills Resource Conservation and Development Council (RC&D) is a 501(c)(3) non-profit entity, serving a nine county region in southeastern Ohio including Athens, Belmont, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the nine counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 29 members that include three representatives from each county and one representative from each conservancy district. The Executive Council exercises total control over the operations of RC&D including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Executive Council. The continued existence of the RC&D is not dependent on the County's continued participation and no equity interest exists. During 2020, the RC&D received \$0 in membership fees from Perry County. Financial information can be obtained by contacting RC&D at 344 Muskingum Drive, Suite A, Marietta, Ohio 45750.

Buckeye Hills Regional Council

The Buckeye Hills Regional Council (Council) serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen member board of directors. The board has 15 members composed of four non-elected representatives, Mayors of the two largest cities in the Council, and eight county representatives appointed by the county commissioners. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Council administers Community Development Block Grants and Issue II monies. During 2020, the County contributed \$1,000 to the Council. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists. Financial information can be obtained by contacting the Buckeye Hills Regional Council office at 1400 Pike Street, Marietta, Ohio 45750.

Coshocton-Fairfield-Licking-Perry Solid Waste District

The County is a member of the Coshocton-Fairfield-Licking-Perry Solid Waste District (District). The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code. The District is governed and operated through three groups. A twelve member board of directors, composed of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue

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source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no additional contributions from the County are anticipated. A twenty five member policy committee, composed of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a sixteen-member Technical Advisory Council, whose members are appointed by the policy committee. The continued existence of the District is not dependent upon the County's continued participation. Each participant's degree of control is limited to its representation on the Board. During 2020, the County paid \$84,776 to the District. Financial information can be obtained by contacting the Coshocton-Fairfield-Licking-Perry Solid Waste District office at 675 Price Road, Newark, Ohio 43055.

Mental Health and Recovery Services Board of Muskingum County

The Mental Health and Recovery Services Board of Muskingum County (Board) provides alcohol, drug addiction and mental health services and programs, primarily through contracts with private and public agencies. The Board also provides forensic evaluation services to adult felony courts, and residential services to youth experiencing emotional problems which prevent them from living at home. The Board serves Coshocton, Guernsey, Morgan, Muskingum, Noble, and Perry Counties and operates under the direction of a fourteen member appointed Board. Each participating county has agreed to levy a tax within their county to assist in the operation of the Board. The Board also directly receives state and federal funding for its operations. Although the Muskingum County Auditor and Muskingum County Treasurer are responsible for fiscal control of the resources of the Board, the Board is responsible for budgeting and accounting for the resources at its disposal. Membership on the Board is based upon Ohio law. The Board exercises total control over the operations of the Program including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2020, the County only contributed tax revenue money. Financial information can be obtained by contacting the Board at 1500 Coal Run Road, Zanesville, Ohio 43701.

Mid-East Ohio Regional Council (MEORC)

The Mid-East Ohio Regional Council (MEORC) is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. The Board exercises total control over the operations of MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board. The County reports "cash and cash equivalents with fiscal agents" in the amount of \$390,489 for monies held by the organization. During 2020, the County paid \$0 to MEORC. Financial information can be obtained by contacting the Mid-East Ohio Regional Council at 1 Avalon Road, Mt. Vernon, Ohio 43050.

Perry County Family and Children First Council

The Perry County Family and Children First Council (Council) is a jointly governed organization created under Ohio Rev. Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Rev. Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Humans Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. The Perry County Auditor serves as the fiscal agent for the Council. The Perry County Board of Development Disabilities serves as the administrative agent for the Council. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2020, the County paid \$79,094 to the Council. Financial information can be obtained by contacting the Council at P.O. Box 895, Logan, Ohio 43138.

Local Workforce Investment Board

The Area #14 Local Workforce Investment Board (LWIB) was established July 1, 2004 to aid in the integration of Ohio's workforce development, pursuant to House Bill 470 and the Federal Workforce Investment Act of 1998. This is accomplished by bringing together business, education, and labor leaders to access workforce needs of employers and training/education needs of job seekers. The LWIB is also charged with establishing fiscal control and fund account procedures to ensure the proper disbursement of an accounting for all funds received through the Workforce Investment Act. The LWIB Board consists of 19 members representing the following counties: Athens, Meigs, and Perry. Each county has a minimum of one Chief Elected Official (CEO) and his/her appointees to the Board. Appointees of the CEO are local business leaders and educators, as well as State mandated representatives from each respective county. The Board exercises total control over the operations of the Board including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2020, the County made no payments to the Board. Financial information can be obtained by contacting the Board at 184 North Lancaster St., Records Center, Suite 209, Athens, Ohio 45701.

Mid-Ohio Regional Planning Commission (MORPC)

The County is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. The organization is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of the organization, and the oversight board. MORPC is an association of local governments in central and south central Ohio and a regional planning agency. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members. Each participant's degree of control is limited to its representation on the Board. During 2020, the County paid \$0 to MORPC. Financial information can be obtained by contacting the Board at 111 Liberty St, Suite 100, Columbus, Ohio 43215.

Note 17 – Related Organization

Perry Metropolitan Housing Authority

The Perry Metropolitan Housing Authority (Authority) currently operates pursuant to Ohio Revised Code Section 3735.27. The Authority is governed by a five member board. Perry County appoints three members, the Village of New Lexington appoints one member, and the Village of Crooksville appoints one member. The board adopts their own appropriations, is their own contracting authority, hires and fires their own staff, authorizes all expenditures, and does not rely on the County or the Villages to finance deficits. The Authority receives funding from the federal government in the form of grants. All monies are received directly by the Authority in the Authority's name. Financial information can be obtained by contacting the Authority at 26 Brown Circle Dr, Crooksville, Ohio 43731.

Note 18 – Joint Ventures

Corrections Commission of Southeastern Ohio

The Corrections Commission of Southeastern Ohio (Commission) is a joint venture of which Athens, Hocking, Morgan, Perry and Vinton Counties are members. The Commission is a body politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission was established to use the authority common to the members to develop, construct, operate, and administer a multi-county correctional center to augment county jail programs and facilities.

The Commission is directed by one commissioner from each participating county, along with the sheriff and the presiding judge of the court of common pleas of each participating county. Any of these may name other representatives to fulfill this duty. Each county is obligated to provide financial support to this entity through per diem charges and assessments that are

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based on the number of beds contractually assigned to each county in proportion to the total number of beds of all participating counties. Each member county is financially responsible for a portion of the capital and operating budget. During 2020, the financial responsibility was as follows: Athens County represents 28 percent, Hocking County represents 24 percent, Morgan County represents 9 percent, Perry County represents 26 percent, and Vinton County represents 13 percent. Complete financial statements can be obtained from the Corrections Commission of Southeastern Ohio, 16677 Riverside Drive, Nelsonville, Ohio 45764. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System

The Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System (District) is a statutorily created political subdivision of the State. The District is a joint venture operated by Fairfield, Hocking, Licking and Perry Counties for the purpose of providing a detention home to treat juvenile offenders and their families in a community setting in such a manner as to reduce the probability of the youth reentering the juvenile justice system. Basic to the philosophy of the District is the idea that every young person is an individual who is unique and worthy of respect. The operation of the District is controlled by a joint board of commissioners consisting of the three commissioners from each participating county. The joint board of commissioners exercises total control over the operation of the District, including budgeting, appropriation, contracting, and designating management. The joint board of commissioners appoints a board of twelve trustees to operate the District. The District is not accumulating significant financial resources or experiencing fiscal stress that would cause additional financial benefit to, or burden on, the counties involved.

Each county will be contributing to the District in the form of a local share as a match for the grant revenues from the Ohio Department of Youth Services. The contribution will be based on the number of children from each county who are maintained in the home during the year. In addition to the initial contribution, there will be an annual contribution by each county for operational expenses. The counties are responsible for all major capital improvements based on population of each county. The District's continued existence is dependent upon the County's participation. The County has an ongoing financial responsibility and an equity interest exists. If the County would withdraw, upon the recommendation of the County Juvenile Court Judge, it may sell or lease their interest in the District to another participating county. Each member county made contributions as follows: Fairfield County contributed 43 percent, Licking County contributed 42 percent, Perry County contributed 7 percent, and Hocking County contributed 8 percent.

Complete financial information can be obtained from the Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention District, 923 Liberty Drive, Lancaster, Ohio 43130. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

Note 19 – Insurance Purchasing Pools

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

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

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. Requests for financial information should be directed to the CORSA Managing Director, County Risk Sharing Authority, Inc., 209 East State Street, Columbus, Ohio, 43215.

County Employee Benefits Consortium of Ohio, Inc.

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed costs of the consortium.

The business and affairs of the consortium are managed by a board of not less than nine nor more than fifteen directors that exercise all powers of the consortium. Two-thirds of the directors are county commissioners of the member counties and one-third are employees of the member counties. Each member of the consortium is entitled to one vote. At all times, one director is required to be a member of the board of directors of the County Commissioners' Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

Note 20 – Contingencies

Grants

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 the terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Litigation

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

Note 21 – Restatement of Beginning Net Position and Fund Balances

During 2020, the County reexamined its custodial funds and discovered certain funds previously reported as custodial funds did not meet the definition of custodial. The County has restated beginning balances to correct these fund classifications.

	Governmental Activities	Custodial
Net Position, As Reported, December 31, 2019	\$25,732,149	\$6,377,560
Fund Reclassifications	176,829	(176,829)
Net Position, As Restated, January 1, 2020	<u>\$25,908,978</u>	<u>\$6,200,731</u>

	Nonmajor Governmental Funds
Fund Balance, As Reported, December 31, 2019	\$9,422,044
Fund Reclassifications	176,829
Fund Balance, As Restated, January 1, 2020	<u>\$9,598,873</u>

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 22 – Subsequent Event

On February 3, 2021, the County issued bonds in amount of \$1,900,000 to refund bond anticipation notes issued in 2020 for the purpose of paying the costs of constructing a building for use by the County Board of Developmental Disabilities. These bonds carry an interest rate of 1.6 percent and a maturity date of December 1, 2030.

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 fluctuate with market conditions, and due to market volatility, the amount of gains or 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 in the amount of \$2,147,278. Of the amounts received, \$382,656 was sub-granted to other organizations. These amounts are reflected as community and economic development expenditures in the CCRDF nonmajor special revenue fund on the accompanying financial statements.

Note 24 – Component Unit Disclosures – Perry County Land Reutilization Corporation

As indicated in note 1 to the basic financial statements, the following disclosures are made on behalf of the Perry County Land Reutilization Corporation.

Note 24.1 – Description of the Reporting Entity

The Perry County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Perry County on August 18, 2016 and incorporated on August 31, 2016 under Chapter 1724 of the Ohio Revised Code.

The Corporation's governing body is a nine-member Board of Directors, consisting of the County Treasurer, County Auditor, two County Commissioners, one representative of the Village of New Lexington, one member representing the largest township located in Perry County, and three residents from Perry County appointed at-large.

The Corporation was established for the purposes of facilitating the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within Perry County; efficiently holding and managing vacant, abandoned, or tax-foreclosed real property pending its reclamation, rehabilitation, and reutilization; assisting governmental entities and other nonprofit or for-profit persons to assemble, clear, and clear the title of property described in division (B)(2) of Section 1724.01 of the Ohio Revised Code in a coordinated manner; and promoting economic and housing development in Perry County. In furtherance thereof, the Corporation shall have and may exercise all the powers of a "county land reutilization corporation," as defined in Section 1724.01 of the Ohio Revised Code, to the extent such powers are granted to a county land reutilization corporation and are set forth in Section 1724.02 of the Ohio Revised Code, Chapter 5722 of the Ohio Revised Code, or another section of the Ohio Revised Code expressly applicable to a county land reutilization corporation, now in effect and as may hereafter be amended (and to the corresponding provisions of any similar laws subsequently enacted). The Corporation is classified as a component unit of Perry County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61.

The financial statements include all agencies, divisions, and operations for which the Corporation is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

government/component unit. On this basis, no governmental organization other than the Corporation itself is included in the financial reporting entity.

Note 24.2 – Summary of Significant Accounting Policies

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities.

Government-Wide Financial Statements

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

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

Fund Accounting

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

For financial statement presentation purposes, the Corporation's fund is classified as a governmental fund. However, as a component unit of Perry County, the Corporation only presents government-wide statements for its governmental activities.

Measurement Focus

Government-Wide Financial Statements

The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. However, adjustments to the accrual basis are made to conform to the County's cash basis of accounting for financial reporting purposes.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. However, the Board of Directors of the Corporation adopted an annual budget for the fiscal year.

Federal Income Tax

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

Cash

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Corporation held no restricted assets at December 31, 2020.

Net Position

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

Note 24.3 – Deposits

At December 31, 2020, the entire amount of the Corporation's bank balance of \$91,154 was covered by Federal Deposit Insurance Corporation (FDIC).

Note 24.4 – Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Corporation did not have liability or other insurance coverage.

Note 24.5 – Contingent Liabilities

Litigation

The Corporation is not currently a party to any legal proceedings.

Grants

The Corporation receives financial assistance from local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund. However, the effect of any such disallowed claims on the overall financial position of the Corporation at December 31, 2020, if applicable, cannot be determined at this time.

Perry County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 24.6 – COVID-19

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

The Corporation did not receive any Coronavirus Aid Relief and Economic Security (CARES) Act funding during 2020.

PERRY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job & Family Services</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5977	\$0	\$355,917
Total SNAP Cluster			<u>0</u>	<u>355,917</u>
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	122325	0	7,589
School Breakfast Program	10.553	122333	0	3,038
Total School Breakfast Program			<u>0</u>	<u>10,627</u>
National School Lunch Program	10.555	122325	0	15,078
National School Lunch Program	10.555	122333	0	5,251
Total National School Lunch Program			<u>0</u>	<u>20,329</u>
Total Child Nutrition Cluster			<u>0</u>	<u>30,956</u>
Total U.S. Department of Agriculture			0	386,873
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Department of Development</i>				
Community Development Block Grants-State's Program	14.228	B-D18-1CG-1	0	147,900
		B-F-19-1CG-1	0	95,155
		B-C-18-1CG-1	0	233,914
		B-X-17-1CG-1	0	80,330
Total Community Development Block Grants - State's Program			<u>0</u>	<u>557,299</u>
Home Investment Partnerships Program	14.239	B-C-18-1CG-2	0	206,640
Total U.S. Department of Housing and Urban Development			0	763,939
U.S. DEPARTMENT OF LABOR				
<i>Passed Through WIA Area 14</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	(1)	0	262,227
WIOA Youth Activities	17.259	(1)	0	102,028
WIOA Dislocated Worker Formula Grants	17.278	(1)	0	210,958
Total WIOA Cluster			<u>0</u>	<u>575,213</u>
WIOA National Dislocated Worker Formula Grants	17.277	(1)	0	84,432
Total U.S. Department of Labor			0	659,645
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Program</i>				
Airport Improvement Program	20.106	(2) 2018	0	27,165
		(2) 2019	0	68,382
		(2) 2020	0	14,100
COVID-19 Airport improvement Program	20.106	(2) 2020	0	750
Total Airport Improvement Program			<u>0</u>	<u>110,397</u>

PERRY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (Continued)				
<i>Passed Through Ohio Department of Transportation</i>				
Formula Grant for Rural Areas	20.509	115-BABF-20-0100	0	186,669
COVID-19 Grant for Rural Areas	20.509	115-BABF-20-0100	0	1,049,874
			<u>0</u>	<u>1,236,543</u>
Federal Transit Cluster:				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	115-BABF-20-0100	0	167,764
Total Federal Transit Cluster			<u>0</u>	<u>167,764</u>
<i>Passed Through Ohio Department of Commerce</i>				
E-911 Grant Program	20.615	69n3761900000	0	15,115
Total U.S. Department of Transportation			0	1,529,819
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	0	1,548,848
Total U.S. Department of Treasury			0	1,548,848
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Buckeye Hills Regional Council/Area Agency on Aging</i>				
Aging Cluster:				
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)	0	47,018
Title III-C, Nutrition Services	93.045	(1)	0	115,840
Nutrition Services Incentive Program	93.053	(1)	0	8,440
Total Aging Cluster			<u>0</u>	<u>171,298</u>
<i>Passed Through Ohio Department of Job & Family Services</i>				
Social Services Block Grant	93.667	G-2021-11-5977	0	130,266
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	2001IOHSOSR	0	21,814
Total Social Services Block Grant			<u>0</u>	<u>152,080</u>
<i>Passed Through Ohio Department of Job & Family Services</i>				
Promoting Safe and Stable Families	93.556	G-2021-11-5978	0	58,832
Temporary Assistance for Needy Families	93.558	G-2021-11-5977	532,928	1,639,488
Child Support Enforcement	93.563	G-2021-11-5977	0	363,308
CCDF Cluster:				
Child Care Development Block Grant	93.575	2001IOHSOSR	0	61,864
Total CCDF Cluster			<u>0</u>	<u>61,864</u>
Child Welfare Services Program	93.645	G-2021-11-5978	0	58,394
Foster Care Title IV-E	93.658	G-2021-11-5978	0	578,356
Adoption Assistance	93.659	G-2021-11-5978	0	306,226
Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5978	0	1,894
Children's Health Insurance Program	93.767	G-1819-11-5790	0	3,039

PERRY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Medicaid Cluster:				
<i>Passed Through Ohio Department of Job & Family Services</i>				
Medical Assistance Program	93.778	G-2021-11-5978	0	1,715
		G-2021-11-5977	0	1,005,454
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Medical Assistance Program	93.778	2005OH5ADM	0	171,958
		2105OH5ADM	0	59,751
Total Medicaid Cluster			<u>0</u>	<u>1,238,878</u>
Total U.S. Department of Health and Human Services			532,928	4,633,657
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
<i>Direct Program</i>				
Retired and Senior Volunteer Program	94.002	(2)	<u>0</u>	<u>42,342</u>
Total Corporation for National and Community Service			0	42,342
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency</i>				
Emergency Management Performance Grant	97.042	EMC-2019-EP-00005	0	9,519
		EMC-2020-EP-00004	0	55,386
Total Emergency Management Performance Grant			<u>0</u>	<u>64,905</u>
Total Corporation for National and Community Service			<u>0</u>	<u>64,905</u>
Total Expenditures of Federal Awards			<u>\$532,928</u>	<u>\$9,630,028</u>

(1) - Pass through entity number not available

(2) - Direct from the federal government

The accompanying notes are an integral part of this Schedule.

PERRY COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Perry 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 net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F - 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.

OHIO AUDITOR OF STATE KEITH FABER



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

Perry County
P.O. Box 127
105 North Main Street
New Lexington, Ohio 43764

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and remaining fund information of Perry 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 March 2, 2022, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

County's Responses to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 2, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

Perry County
P.O. Box 127
105 North Main Street
New Lexington, Ohio 43764

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

March 2, 2022

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Formula Grants for Rural Areas, CFDA #20.509 • COVID-19 Coronavirus Relief Fund, CFDA #21.019 • Temporary Assistance For Needy Families, CFDA #93.558 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2020-001

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file with the Auditor of State a financial report for each fiscal year, within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

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

PERRY COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020
(Continued)

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

FINDING NUMBER 2020-001 (Continued)

Noncompliance (Continued)

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the modified cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time. Additionally, the County did not file its financial report with the Auditor of State within sixty days of year end, as the report was not filed until September 3, 2021, more than 200 days after year end.

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

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2020-002

Material Weakness

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

The County recorded disbursements in their Internal Service Fund as Claims rather than Personal Services in the amount of \$5,125,231 on the Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position, Proprietary Funds. Since the County is no longer self-insured for health insurance, these disbursements would not represent actual claims paid therefore should be recorded as personal services.

Failure to properly classify activity on the financial statements could result in a failure to provide users of the financial statement with an accurate picture of the County's operations.

The County should ensure their year-end financial statements reflect the appropriate sources and uses or the County's receipts and disbursements.

Officials' Response: See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None.

Drew Cannon

Perry County Auditor

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

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code §117.38 requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	The County is still not able to make the corrective action. County intends to take corrective action in the near future.
2019-002	Ohio Rev. Code §5705.41(B) prohibits making any expenditure unless it has been appropriated in accordance with ORC. The County's General, Auto License and Gasoline Tax, and Sewer Funds had expenditures in excess of appropriations.	Corrected	

Drew Cannon

Perry County Auditor

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

Finding Number:	2020-001
Planned Corrective Action:	The County has not reported on a GAAP basis due to financial concerns. While the financial condition of the County has improved there are currently more pressing needs financially. The benefit of GAAP reporting does not outweigh the expense of having a GAAP report prepared. However, we believe this an obtainable goal in the near future.
Anticipated Completion Date:	No Estimated Date
Responsible Contact Person:	Drew Cannon, County Auditor County Commissioners: Scott Owen, President Ben Carpenter, Member Derek Householder, Member
Finding Number:	2020-002
Planned Corrective Action:	The County will immediately begin to correctly classify our medical benefit expenditures as Personal Services and not as Claims, as our County is no longer self-insured but part of a health care consortium.
Anticipated Completion Date:	Immediately
Responsible Contact Person:	Drew Cannon, County Auditor County Commissioners: Scott Owen, President Ben Carpenter, Member Derek Householder, Member

OHIO AUDITOR OF STATE KEITH FABER



PERRY 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 3/15/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov