OHIO AUDITOR OF STATE
KEITH FABER

Washington County
Washington County, Ohio

General Purpose External Financial Statements
For the Year Ended December 31, 2020

Local Government Services Section

Washington County, Ohio
General Purpose External Financial Statements
For the Year Ended December 31, 2020

Table of Contents

Table of Contents (Continued)

Honorable County Commissioners
Washington County
205 Putnam Street
Marietta, Ohio 45750

Accountant's Compilation Report

Management is responsible for the accompanying basic financial statements of the Washington County as of and for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not compile the financial statements of the Southeastern Ohio Port Authority, a discretely presented component unit of Washington County. We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management's Discussion and Analysis and the Condition Assessment of the County's Infrastructure is supplementary information required by the Governmental Accounting Standards Board and was prepared by management. We did not compile, review, or audit the information nor do we express an opinion, a conclusion, nor provide any assurance on the information.

The Schedules of the County's Proportionate Share of Net Pension Asset/Liability, the Schedules of the County's Proportionate Share of Net OPEB Asset/Liability, and the Schedules of the County's Contributions are not part of the basic financial statements but the Governmental Accounting Standards Board requires their presentation to supplement the basic financial statement. We have compiled these schedules without audit or review and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this information.

KEITH FABER
Auditor of State

David B. Thompson

David B. Thompson
Chief of Local Government Services
Columbus, Ohio

July 20, 2021

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

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position increased $3,564,988. Net position of governmental activities increased $3,659,713 from 2019. Net position of the business-type activity decreased $94,725 from 2019.

- At the end of the current year, the County reported a deficit in unrestricted net position for governmental activities of $27,912,141.

- At the end of the current year, the County's governmental funds reported a combined ending fund balance of $47,209,104, an increase of $6,692,814 from the prior year.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds. Non-major funds are presented separately from major funds in total and in one column.

County-Wide Financial Statements

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

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

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The statement of activities presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

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

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

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Sewer system is reported here.

Component Units - The County's financial statements include financial data of the Southeastern Ohio Port Authority (See Note 26). This component unit is described in the notes to the financial statements. Component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Fund Financial Statements

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

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

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

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

Proprietary Funds - The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund operations.

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

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

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information relating to the modified approach to reporting infrastructure.

Government-Wide Financial Analysis

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

Table 1
Net Position

	Governmental Activities		Business-Type Activity		Totals	
	2020	2019	2020	Restated 2019	2020	Restated 2019
Assets						
Current and Other Assets	$69,894,623	$63,166,258	$665,332	$465,867	$70,559,955	$63,632,125
Net Pension Asset	274,821	149,586	0	0	274,821	149,586
Net OPEB Asset	83,065	89,036	0	0	83,065	89,036
Capital Assets, Net	158,984,814	158,488,707	7,531,502	6,280,499	166,516,316	164,769,206
Totals Assets	229,237,323	221,893,587	8,196,834	6,746,366	237,434,157	228,639,953
Deferred Outflows of Resources						
Pension	4,489,849	11,711,471	0	0	4,489,849	11,711,471
OPEB	3,015,375	1,506,348	0	0	3,015,375	1,506,348
Asset Retirement Obligations	0	0	90,562	88,312	90,562	88,312
Totals Deferred Outflows of Resources	7,505,224	13,217,819	90,562	88,312	7,595,786	13,306,131
Liabilities						
Current and Other Liabilities	5,410,194	3,706,000	583,426	116,699	5,993,620	3,822,699
Long-Term Liabilities						
Due Within One Year	424,078	331,084	90,875	102,730	514,953	433,814
Due Within More Than One Year:						
Net Pension Liability	28,299,678	39,935,171	0	0	28,299,678	39,935,171
Net OPEB Liability	18,746,211	18,237,144	0	0	18,746,211	18,237,144
Other Amounts	1,728,862	2,032,970	3,692,223	2,599,652	5,421,085	4,632,622
Total Liabilities	54,609,023	64,242,369	4,366,524	2,819,081	58,975,547	67,061,450
Deferred Inflows of Resources						
Property Taxes	12,688,931	12,963,580	0	0	12,688,931	12,963,580
Pension	6,678,259	1,433,495	0	0	6,678,259	1,433,495
OPEB	3,124,287	489,628	0	0	3,124,287	489,628
Total Deferred Inflows of Resources	22,491,477	14,886,703	0	0	22,491,477	14,886,703
Net Position						
Net Investment in Capital Assets	157,265,696	156,597,902	3,486,868	3,782,017	160,752,564	160,379,919
Restricted	30,288,492	27,711,428	0	67,908	30,288,492	27,779,336
Unrestricted (Deficits)	(27,912,141)	(28,326,996)	434,004	165,672	(27,478,137)	(28,161,324)
Total Net Position	$159,642,047	$155,982,334	$3,920,872	$4,015,597	$163,562,919	$159,997,931

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As mentioned previously, net position increased $3,564,988. Overall total assets increased $8,794,204. In the governmental activities, net capital assets increased $496,107 from the prior year primarily due to bridge replacements. Sales taxes receivable, accounts receivable, and payments in lieu of taxes receivable had increases of $134,406, $3,111, and $1,178, respectively. Cash increased $8,824,031 from 2019, primarily due to increases in intergovernmental revenues and charges for services, along with decreases in spending. In 2020, the County recorded a net pension asset and a net OPEB asset in the amounts of $274,821 and $83,065, respectively. Decreases were recorded in intergovernmental receivables, prepaid items, and materials and supplies inventory in the amounts of $1,218,248, $9,624, and $37,338, respectively. Intergovernmental receivables experienced a large decrease primarily due to receiving large portions of funding relating to projects that began in 2019. Internal balances decreased by $119,091 due to the final payment being made on the sewer interfund loan. Deferred outflows of resources related to pension and OPEB decreased $5,712,595. The significant decrease in total deferred outflow of resources in 2020 was mostly due to changes in amortization relating to changes of assumption and the difference between projected and actual earnings on investments used in calculations of the net pension liability.

Leave benefits payable, intergovernmental payable, and accrued interest payable increased $485,472, $99,503, and $815, respectively. Accounts payable, contracts payable, and accrued wages payable decreased $49,083, $2,569, and $588,380, respectively. Unearned revenue increased $1,770,557 primarily due to COVID-19 relief money that had not been spent by the end of the year. The net pension liability decreased by $11,635,493, while the net OPEB liability increased $509,067. The net pension and net OPEB liabilities represent the County's proportionate share of the OPERS traditional and combined plans' unfunded benefits. As indicated above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension and OPEB liabilities.

The business-type activity had an increase in total assets of $1,450,468. Cash increased $98,730. Capital assets increased by $1,251,003 largely due to construction in progress on multiple sewer projects. Internal balances decreased by $119,091, primarily due to the final payment being made on the sewer loan. Accounts receivable and special assessments receivable decreased by $18,132, in total. The business-type activity also had an increase in total liabilities of $1,749,943. Contracts payable and amounts due in more than one year had increases in the amounts of $467,914 and $3,692,223, respectively. These increases were largely due to contracts and debt issued regarding multiple sewer projects. Amounts due in more than one year also increased due to the addition of the asset retirement obligations liability in the amount of $210,000.

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

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
Revenues	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	$7,408,029	$6,912,726	$1,082,376	$1,168,333	$8,490,405	$8,081,059
Operating Grants, Contributions, and Interest	24,633,485	22,399,714	0	0	24,633,485	22,399,714
Capital Grants, Contributions, and Interest	1,053,372	2,158,867	0	0	1,053,372	2,158,867
Total Program Revenues	33,094,886	31,471,307	1,082,376	1,168,333	34,177,262	32,639,640
General Revenues:						
Property Taxes	12,531,713	13,123,430	0	0	12,531,713	13,123,430
Payments in Lieu of Taxes	21,758	18,371	0	0	21,758	18,371
Permissive Sales Taxes	13,755,143	13,709,315	0	0	13,755,143	13,709,315
Lodging Taxes	40,951	66,219	0	0	40,951	66,219
Intergovernmental	1,626,280	1,768,572	0	0	1,626,280	1,768,572
Interest	1,470,764	1,223,899	0	0	1,470,764	1,223,899
Miscellaneous	2,446,844	1,281,350	8,107	3,797	2,454,951	1,285,147
Total General Revenues	31,893,453	31,191,156	8,107	3,797	31,901,560	31,194,953
Total Revenues	64,988,339	62,662,463	1,090,483	1,172,130	66,078,822	63,834,593
Program Expenses						
General Government:						
Legislative and Executive	6,824,077	7,516,468	0	0	6,824,077	7,516,468
Judicial	3,210,666	3,302,769	0	0	3,210,666	3,302,769
Public Safety	13,588,891	13,660,630	0	0	13,588,891	13,660,630
Public Works	8,051,830	9,125,892	0	0	8,051,830	9,125,892
Health:						
Alcohol, Drug, and Mental Health	2,183,538	2,347,544	0	0	2,183,538	2,347,544
Board of Developmental Disabilities	6,058,897	6,926,591	0	0	6,058,897	6,926,591
County Home	2,627,576	3,007,660	0	0	2,627,576	3,007,660
Other Health	415,260	450,496	0	0	415,260	450,496
Human Services:						
Child Support Enforcement	951,802	1,010,027	0	0	951,802	1,010,027
Children Services	4,616,648	3,845,765	0	0	4,616,648	3,845,765
Job and Family Services	7,900,160	7,957,229	0	0	7,900,160	7,957,229
Senior Services	1,293,337	1,339,863	0	0	1,293,337	1,339,863
Other Human Services	1,097,873	839,768	0	0	1,097,873	839,768
Economic Development and Assistance	1,591,647	417,811	0	0	1,591,647	417,811
Intergovernmental	881,078	394,419	0	0	881,078	394,419
Interest and Fiscal Charges	35,346	47,457	0	0	35,346	47,457
Sewer	0	0	1,185,208	1,152,443	1,185,208	1,152,443
Total Program Expenses	61,328,626	62,190,389	1,185,208	1,152,443	62,513,834	63,342,832
Change in Net Position	3,659,713	472,074	(94,725)	19,687	3,564,988	491,761
Net Position Beginning of Year (Restated - See Note 3)	155,982,334	155,510,260	4,015,597	3,995,910	159,997,931	159,506,170
Net Position End of Year	$159,642,047	$155,982,334	$3,920,872	$4,015,597	$163,562,919	$159,997,931

Governmental Activities

The operating grants, contributions, and interest category of program revenues were the largest program revenues, accounting for $24,633,485 or 37.9 percent of total governmental activities revenues. The major recipients of intergovernmental program revenues were the Job and Family Services, Mental Health, Engineer's office, Road Projects, Board of Developmental Disabilities, Child Support Enforcement Agency, and Children Services governmental activities. This category of program revenues consists of grants, entitlements, interest earned on restricted monies, motor vehicle license taxes, and gasoline excise taxes.

Property tax revenues account for $12,531,713 or 19.3 percent of total governmental activities revenues. Another major component of governmental activities revenues was permissive sales taxes, which accounted for $13,755,143 or 21.2 percent of total revenues.

The County's direct charges to users of governmental services made up $7,408,029 or 11.4 percent of total governmental activities revenues. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Health programs accounted for $11,285,271, or 18.4 percent of total expenses for governmental activities. These activities are paid primarily through property taxes and program revenues. .

Other major program expenses for governmental activities include human service programs, which accounted for $15,859,820, or 25.8 percent of total expenses. Human services expenses are primarily for Job and Family Services, Child Support Enforcement, Children's Services, and Senior Services activities. These activities are mostly funded through program revenues, with a property tax levy for Senior Services and Children's Services. .

Public works expenditures accounted for $8,051,830 or 13.1 percent of total expenses. These activities are paid entirely with program revenues. The funding from other governmental granting agencies was used for numerous road and bridge projects throughout the County.

Public safety program expenses accounted for $13,588,891 or 22.2 percent of total expenses. These activities are funded primarily through property and sales taxes.

Legislative and executive program expenses accounted for $6,824,077, or 11.1 percent. These activities are the general operating and administrative functions of the County.

Business-Type Activity

The net position for business-type activities decreased $94,725 during 2020. Charges for services accounted for $1,082,376, or 99.2 percent of revenues. This decreased $85,957 from 2019. Sewer enterprise expenses increased $32,765 from 2019.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
General Government:				
Legislative and Executive	$6,824,077	$3,340,180	$7,516,468	$4,208,676
Judicial	3,210,666	1,537,425	3,302,769	1,461,734
Public Safety	13,588,891	11,779,715	13,660,630	12,157,718
Public Works	8,051,830	41,737	9,125,892	552,068
Health:				
Alcohol, Drug, and Mental Health	2,183,538	330,657	2,347,544	1,006,938
Board of Developmental Disabilities	6,058,897	3,619,523	6,926,591	3,723,443
County Home	2,627,576	1,888,603	3,007,660	2,395,462
Other Health	415,260	96,846	450,496	237,427
Human Services:				
Child Support Enforcement	951,802	(62,766)	1,010,027	33,325
Children Services	4,616,648	2,403,812	3,845,765	1,896,061
Job and Family Services	7,900,160	924,498	7,957,229	1,267,069
Senior Services	1,293,337	1,087,030	1,339,863	1,125,020
Other Human Services	1,097,873	827,527	839,768	825,122
Economic Development and Assistance	1,591,647	413,788	417,811	(227,189)
Intergovernmental	881,078	(30,181)	394,419	8,751
Interest and Fiscal Charges	35,346	35,346	47,457	47,457
Total Expenses	$61,328,626	$28,233,740	$62,190,389	$30,719,082

Charges for services, operating grants, and capital grants of $33,094,886 or 50.9 percent of the total costs of services, are received and used to fund governmental activities' program expenses of the County.

Remaining governmental activities expenses are funded by property taxes, permissive sales taxes, unrestricted intergovernmental revenues, gains on the sale of capital assets, interest, and miscellaneous revenues.

The $5,935,629 in net cost of services for health expenses demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for programs including the Board of Developmental Disabilities and the County Home.

Financial Analysis of County Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2020, the County's governmental funds reported a combined ending fund balance of $47,209,104, an increase of $6,692,814 in comparison with the prior year. Of that total ending fund balance, $1,575,480 is nonspendable, $26,177,003 is restricted, $812,604 is committed, $3,604,405 is assigned, and $15,039,612 is unassigned, as defined in GASB Statement No. 54.

The General Fund is the primary operating fund of the County. At the end of 2020, the unassigned fund balance was $15,337,062, while total fund balance was $19,723,008. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 73.4 percent to total General Fund expenditures, while total fund balance represents 94.4 percent of that same amount. The County's General Fund balance increased $3,533,797 during 2020.

The fund balance of the Motor Vehicle and Gasoline Tax Special Revenue Fund increased $1,930,322 during 2020 due primarily to an increase in intergovernmental revenues as well as reductions in expenditures.

The fund balance of the Board of Developmental Disabilities Special Revenue Fund increased $717,680 during 2020, due primarily to reductions in expenditures.

The fund balance of the Job and Family Services Special Revenue Fund decreased $345,895 during 2020, primarily due to increases in expenditures.

As of December 31, 2020, net position for the County's enterprise fund was $3,920,872. Of that total, $434,004 represents unrestricted net position.

Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of County Commissioners adopts a permanent annual operating budget for the County on or about January 1.

For the General Fund, budget basis revenue was $25,615,979, above final estimates of $24,058,594. Final estimated revenues were above original estimates of $23,802,656, primarily due to an increase of $364,778 in interest revenue. Actual expenditures for the year were $22,171,809, under final appropriations of $25,502,834. All expenditure programs experienced spending under budget in 2020. The original appropriations were increased $531,219; all programs except Public Safety, Human Services, and Economic Development were increased from original to final.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2020, were $166,516,316 (net of accumulated depreciation). This includes land and land improvements, construction in progress, buildings and improvements, machinery and equipment, furniture and fixtures, infrastructure, and vehicles.

For governmental activities, the most significant capital asset additions during 2020 included the purchase of a new fire alarm system, infrastructure, and equipment for the Engineer's office. Several vehicles were bought for the Sheriff's office and the highway garage.

The County uses the modified approach to present county roads and bridges (infrastructure). Disclosures about the condition assessments and maintenance costs regarding the County's infrastructure can be found in the Required Supplementary Information.

Note 9 (Capital Assets) provides capital asset activity during 2020.

Debt Administration - As of December 31, 2020, the County had total bonded debt outstanding of $1,232,705. All of this debt will be repaid through governmental activities. The County's long-term general obligation bonded debt decreased $153,666 during 2020. Other governmental outstanding long-term debt consists of capital leases of $162,026, and OPWC loans of $324,387. The business-type activity had outstanding debt consisting of FHA Bonds of $591,000, OPWC loans of $454,302, and OWDA Loans of $2,526,996.

In addition, the County's long-term obligations include compensated absences for sick leave benefits, net pension liability, and net OPEB liability. Additional information on the County's long-term obligations can be found in Notes 14 and 15 of this report.

Economic Factors

The unemployment rate for the County is currently 5.6 percent, which is a decrease from 11.8 percent a year ago. This rate is above the State's current rate of 5.0 percent and more than the current national rate of 5.5 percent. The decrease in current unemployment is due to the effects of economic shut down due to the COVID-19 pandemic when the prior report was issued.

The County's $1.630 billion tax base is stable and slightly down from the $1.659 billion value from the prior year. Valuations increased in the aggregate for the year and are at an all-time high.

The County's permissive sales tax revenues in governmental activities increased from 2019 to 2020 with an increase of 0.3% on a cash basis, exceeding estimates. The cause of the better than anticipated revenues is unknown as the increases were spread across various classifications of revenues. However, based on the current situation with the COVID-19 pandemic (see Note 25), it is uncertain what sales tax revenues will be in the near future.

Various economic factors were considered in the preparation of the County's 2020 budget. Appropriate measures will continue to be taken to ensure spending is within available resources.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Matthew Livengood, Washington County Auditor, 205 Putnam Street, Marietta, Ohio 45750.

This page intentionally left blank

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	Southeastern Ohio Port Authority
Assets				
Equity in Pooled Cash and Cash Equivalents	$45,082,886	$419,240	$45,502,126	$0
Cash and Cash Equivalents	0	0	0	430,615
Cash and Cash Equivalents in Segregated Accounts	566,523	0	566,523	0
Sales Taxes Receivable	3,645,084	0	3,645,084	0
Accounts Receivable	25,108	102,853	127,961	72,562
Payments in Lieu of Taxes Receivable	19,978	0	19,978	0
Intergovernmental Receivable	5,456,844	0	5,456,844	0
Prepaid Items	527,176	922	528,098	890
Special Assessments Receivable	0	142,317	142,317	0
Property Taxes Receivable	13,832,646	0	13,832,646	0
Lodging Taxes Receivable	2,814	0	2,814	0
Materials and Supplies Inventory	735,564	0	735,564	0
Non-Depreciable Capital Assets	144,028,912	1,905,214	145,934,126	155,420
Depreciable Capital Assets, Net	14,955,902	5,626,288	20,582,190	1,873,439
Net Pension Asset	274,821	0	274,821	0
Net OPEB Asset	83,065	0	83,065	0
Total Assets	229,237,323	8,196,834	237,434,157	2,532,926
Deferred Outflows of Resources				
Pension	4,489,849	0	4,489,849	29,280
OPEB	3,015,375	0	3,015,375	21,695
Asset Retirement Obligations	0	90,562	90,562	0
Total Deferred Outflows of Resources	7,505,224	90,562	7,595,786	50,975
Liabilities				
Accounts Payable	1,079,287	11,403	1,090,690	22
Contracts Payable	14,953	472,336	487,289	0
Accrued Wages Payable	315,608	1,536	317,144	6,155
Leave Benefits Payable	1,626,897	4,766	1,631,663	0
Intergovernmental Payable	494,369	88,953	583,322	39,445
Accrued Interest Payable	3,798	4,432	8,230	834
Unearned Revenue	1,875,282	0	1,875,282	0
Long-Term Liabilities:				
Due Within One Year	424,078	90,875	514,953	37,986
Due In More Than One Year:				
Net Pension Liability	28,299,678	0	28,299,678	91,713
Net OPEB Liability	18,746,211	0	18,746,211	91,992
Other Amounts Due In More Than One Year	1,728,862	3,692,223	5,421,085	305,724
Total Liabilities	54,609,023	4,366,524	58,975,547	573,871
Deferred Inflows of Resources				
Property Taxes	12,688,931	0	12,688,931	0
Pension	6,678,259	0	6,678,259	26,569
OPEB	3,124,287	0	3,124,287	19,681
Total Deferred Inflows of Resources	22,491,477	0	22,491,477	46,250
Net Position				
Net Investment in Capital Assets	157,265,696	3,486,868	160,752,564	1,692,638
Restricted for:				
Capital Improvements	1,050,801	0	1,050,801	0
Debt Service	398,094	0	398,094	0
Road and Bridge Maintenance	8,198,107	0	8,198,107	0
Mental Health Operations	2,495,721	0	2,495,721	0
County Home Operations	3,955,427	0	3,955,427	0
Developmental Disabilities	6,428,185	0	6,428,185	0
Real Estate Assessments	2,165,323	0	2,165,323	0
Child Support Services	1,150,240	0	1,150,240	0
Urban Transportation	236,269	0	236,269	0
Children Services Operations	220,111	0	220,111	0
Board of Elections	65,341	0	65,341	0
Disaster Services	129,591	0	129,591	0
Dog and Kennel	191,005	0	191,005	0
Marriage Licenses	9,628	0	9,628	0
Court and Corrections	908,701	0	908,701	0
Sheriff Operations	717,688	0	717,688	0
911 Operations	780,034	0	780,034	0
Economic Development	526,541	0	526,541	0
Senior Services	348,945	0	348,945	0
Unclaimed Monies	312,740	0	312,740	0
Unrestricted (Deficit)	(27,912,141)	434,004	(27,478,137)	271,142
Total Net Position	$159,642,047	$3,920,872	$163,562,919	$1,963,780

See accompanying notes to the basic financial statements
See accountant's compilation report

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

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	$6,824,077	$3,099,234	$384,663	$0
Judicial	3,210,666	1,244,617	428,624	0
Public Safety	13,588,891	1,616,208	192,968	0
Public Works	8,051,830	102,546	6,854,175	1,053,372
Health:				
Alcohol, Drug, and Mental Health	2,183,538	0	1,852,881	0
Board of Developmental Disabilities	6,058,897	196,042	2,243,332	0
County Home	2,627,576	574,462	164,511	0
Other Health	415,260	211,667	106,747	0
Human Services:				
Child Support Enforcement	951,802	212,840	801,728	0
Children Services	4,616,648	3,769	2,209,067	0
Job and Family Services	7,900,160	87,799	6,887,863	0
Senior Services	1,293,337	46,275	160,032	0
Other Human Services	1,097,873	12,570	257,776	0
Economic Development and Assistance	1,591,647	0	1,177,859	0
Intergovernmental	881,078	0	911,259	0
Interest and Fiscal Charges	35,346	0	0	0
Total Governmental Activities	61,328,626	7,408,029	24,633,485	1,053,372
Business-Type Activity				
Sewer	1,185,208	1,082,376	0	0
Total Primary Government	$62,513,834	$8,490,405	$24,633,485	$1,053,372
Component Units				
Southeastern Ohio Port Authority	$243,797	$176,304	$153,720	$0

General Revenues
Property Taxes Levied for:
General Purposes
Board of Developmental Disabilities
Mental Health
County Home
Children Services
Senior Services
Bond Retirement
911
Sales Taxes Levied for General Purposes
Lodging Taxes
Grants and Entitlements not Restricted to Specific Programs
Payments in Lieu of Taxes
Interest
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements
See accountant's compilation report

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activity	Total	Southeastern Ohio Port Authority
($3,340,180)	$0	($3,340,180)	$0
(1,537,425)	0	(1,537,425)	0
(11,779,715)	0	(11,779,715)	0
(41,737)	0	(41,737)	0
(330,657)	0	(330,657)	0
(3,619,523)	0	(3,619,523)	0
(1,888,603)	0	(1,888,603)	0
(96,846)	0	(96,846)	0
62,766	0	62,766	0
(2,403,812)	0	(2,403,812)	0
(924,498)	0	(924,498)	0
(1,087,030)	0	(1,087,030)	0
(827,527)	0	(827,527)	0
(413,788)	0	(413,788)	0
30,181	0	30,181	0
(35,346)	0	(35,346)	0
(28,233,740)	0	(28,233,740)	0
0	(102,832)	(102,832)	0
(28,233,740)	(102,832)	(28,336,572)	0
0	0	0	86,227
3,694,804	0	3,694,804	0
4,071,125	0	4,071,125	0
423,510	0	423,510	0
1,786,150	0	1,786,150	0
814,699	0	814,699	0
1,071,426	0	1,071,426	0
180,189	0	180,189	0
489,810	0	489,810	0
13,755,143	0	13,755,143	0
40,951	0	40,951	0
1,626,280	0	1,626,280	0
21,758	0	21,758	0
1,470,764	0	1,470,764	1,220
2,446,844	8,107	2,454,951	22,522
31,893,453	8,107	31,901,560	23,742
3,659,713	(94,725)	3,564,988	109,969
155,982,334	4,015,597	159,997,931	1,853,811
$159,642,047	$3,920,872	$163,562,919	$1,963,780

See accountant's compilation report

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

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$16,905,345	$5,527,799	$6,255,636	$20,330	$16,061,036	$44,770,146
Cash and Cash Equivalents in Segregated Accounts	285	0	0	0	566,238	566,523
Restricted Assets:						
Cash and Cash Equivalents	312,740	0	0	0	0	312,740
Materials and Supplies Inventory	84,950	591,489	9,424	3,568	46,133	735,564
Receivables:						
Property Taxes	4,011,881	0	4,121,557	0	5,699,208	13,832,646
Sales Taxes	3,645,084	0	0	0	0	3,645,084
Lodging Taxes	0	0	0	0	2,814	2,814
Accounts	18,575	0	0	0	6,533	25,108
Revenue in Lieu of Taxes	0	0	0	0	19,978	19,978
Intergovernmental	889,591	2,452,978	253,454	0	1,860,821	5,456,844
Interfund	107,169	0	0	129,552	4,963	241,684
Prepaid Items	326,029	13,850	37,539	28,705	121,053	527,176
Total Assets	$26,301,649	$8,586,116	$10,677,610	$182,155	$24,388,777	$70,136,307
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$232,976	$165,423	$83,691	$92,280	$504,917	$1,079,287
Contracts Payable	0	0	0	0	14,953	14,953
Accrued Wages Payable	147,667	22,777	34,630	59,080	51,454	315,608
Matured Leave Benefits Payable	0	0	0	0	186	186
Interfund Payable	5,051	462	0	91,172	144,999	241,684
Intergovernmental Payable	299,070	22,524	36,089	79,360	57,326	494,369
Unearned Revenue	0	0	0	125,440	1,749,842	1,875,282
Total Liabilities	684,764	211,186	154,410	447,332	2,523,677	4,021,369
Deferred Inflows of Resources						
Property Taxes	3,673,504	0	3,815,975	0	5,199,452	12,688,931
Unavailable Revenue	2,220,373	1,458,449	533,458	0	2,004,623	6,216,903
Total Deferred Inflows of Resources	5,893,877	1,458,449	4,349,433	0	7,204,075	18,905,834
Fund Balances						
Nonspendable	723,719	605,339	46,963	32,273	167,186	1,575,480
Restricted	0	6,311,142	6,126,804	0	13,739,057	26,177,003
Committed	57,822	0	0	0	754,782	812,604
Assigned	3,604,405	0	0	0	0	3,604,405
Unassigned	15,337,062	0	0	(297,450)	0	15,039,612
Total Fund Balances	19,723,008	6,916,481	6,173,767	(265,177)	14,661,025	47,209,104
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$26,301,649	$8,586,116	$10,677,610	$182,155	$24,388,777	$70,136,307

See accompanying notes to the basic financial statements
See accountant's compilation report

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

Total Governmental Fund Balances		$47,209,104
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		158,984,814
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds:		
Delinquent Property Taxes	1,143,715	
Payments in Lieu of Taxes	19,978	
Sales Taxes	1,319,793	
Intergovernmental	3,719,800	
Charges for Services	13,617	6,216,903
The net pension liability/asset and the net OPEB liability/asset are not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in the funds:		
Deferred Outflows - Pension	4,489,849	
Deferred Inflows - Pension	(6,678,259)	
Net Pension Liability	(28,299,678)	
Net Pension Asset	274,821	
Deferred Outflows - OPEB	3,015,375	
Deferred Inflows - OPEB	(3,124,287)	
Net OPEB Liability	(18,746,211)	
Net OPEB Asset	83,065	(48,985,325)
Leave Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the balance sheet until due.		(1,626,711)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Refunding Bonds Payable	(1,100,105)	
OPWC Loans Payable	(324,387)	
USDA Bonds Payable	(132,600)	
Accrued Interest Payable	(3,798)	
Capital Leases Payable	(162,026)	
Compensated Absences Payable	(433,822)	(2,156,738)
Net Position of Governmental Activities		$159,642,047

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2020

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$3,749,797	$0	$3,888,791	$0	$5,330,236	$12,968,824
Sales Taxes	13,702,486	0	0	0	0	13,702,486
Payment in Lieu of Taxes	0	0	0	0	20,580	20,580
Lodging Taxes	0	0	0	0	40,951	40,951
Charges for Services	3,166,091	55,407	145,692	0	2,402,434	5,769,624
Licenses and Permits	10,570	0	0	0	264,923	275,493
Fines and Forfeitures	76,227	46,883	0	0	988,398	1,111,508
Intergovernmental	1,805,811	7,058,682	2,284,212	6,887,863	9,720,010	27,756,578
Interest	1,458,256	57,006	0	0	13,732	1,528,994
Rent	152,270	0	39,000	0	53,086	244,356
Contributions and Donations	1,084	0	4,991	0	5,600	11,675
Miscellaneous	1,949,464	39,199	137,737	132,514	187,930	2,446,844
Total Revenues	26,072,056	7,257,177	6,500,423	7,020,377	19,027,880	65,877,913
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,407,667	0	0	0	884,441	6,292,108
Judicial	2,166,151	0	0	0	910,564	3,076,715
Public Safety	10,411,378	0	0	0	1,978,756	12,390,134
Public Works	1,941,362	6,059,592	0	0	761,682	8,762,636
Health:						
Alcohol, Drug, and Mental Health	0	0	0	0	2,126,817	2,126,817
Board of Developmental Disabilities	0	0	5,782,743	0	0	5,782,743
County Home	0	0	0	0	2,527,578	2,527,578
Other Health	128,720	0	0	0	305,476	434,196
Human Services:						
Child Support Enforcement	0	0	0	0	888,464	888,464
Children Services	0	0	0	0	4,286,219	4,286,219
Job and Family Services	0	0	0	7,536,123	0	7,536,123
Senior Services	0	0	0	0	1,290,787	1,290,787
Other Human Services	699,294	0	0	0	261,076	960,370
Economic Development and Assistance	138,873	0	0	0	1,452,774	1,591,647
Capital Outlay	0	0	0	0	157,266	157,266
Intergovernmental	0	0	0	0	881,078	881,078
Debt Service:						
Principal Retirement	0	18,021	0	0	285,000	303,021
Interest and Fiscal Charges	0	0	0	0	35,797	35,797
Total Expenditures	20,893,445	6,077,613	5,782,743	7,536,123	19,033,775	59,323,699
Excess of Revenues Over (Under) Expenditures	5,178,611	1,179,564	717,680	(515,746)	(5,895)	6,554,214
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	6,000	0	0	0	0	6,000
Bonds Issued	0	132,600	0	0	0	132,600
Transfers In	0	618,158	0	169,851	1,480,963	2,268,972
Transfers Out	(1,650,814)	0	0	0	(618,158)	(2,268,972)
Total Other Financing Sources (Uses)	(1,644,814)	750,758	0	169,851	862,805	138,600
Net Change in Fund Balances	3,533,797	1,930,322	717,680	(345,895)	856,910	6,692,814
Fund Balances Beginning of Year	16,189,211	4,986,159	5,456,087	80,718	13,804,115	40,516,290
Fund Balances End of Year	$19,723,008	$6,916,481	$6,173,767	($265,177)	$14,661,025	$47,209,104

See accompanying notes to the basic financial statements

See accountant's compilation report

Washington County, Ohio

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

For the Year Ended December 31, 2020

Net Change in Fund Balances - Governmental Funds		$6,692,814
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital Asset Additions	1,920,952	
Current Year Depreciation	(1,416,110)	504,842
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of assets:		
Proceeds from Sale of Capital Assets	(6,000)	
Loss on the Disposal of Capital Assets	(2,735)	(8,735)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund:		
Delinquent Property Taxes	(437,111)	
Payments in Lieu of Taxes	1,178	
Sales Tax	52,657	
Intergovernmental	(513,346)	
Charges for Services	7,048	(889,574)
Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities:		
Refunding Bonds	285,000	
OPWC Loans Payable	18,021	303,021
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. Premiums and discounts are reported as revenues and expenditures when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities:		
Bond Premium Amortization	2,046	
Accrued Interest Payable	(815)	
Amortization of Discount	(780)	451
Loan proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of activities:		
USDA Bonds Issued		(132,600)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Leave Benefits Payable	(503,605)	
Compensated Absences Payable	39,427	(464,178)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,927,429	
OPEB	25,101	2,952,530
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(3,633,087)	
OPEB	(1,665,771)	(5,298,858)
Change in Net Position of Governmental Activities		$3,659,713

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

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

General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$3,685,382	$3,738,732	$3,738,218	($514)
Sales Taxes	13,179,203	13,179,203	13,620,737	441,534
Charges for Services	3,271,409	3,092,750	3,201,369	108,619
Licenses and Permits	9,500	9,500	10,570	1,070
Fines and Forfeitures	100,700	100,700	77,683	(23,017)
Intergovernmental	1,989,107	2,007,510	1,825,184	(182,326)
Interest	691,320	1,056,098	1,056,098	0
Rent	178,335	178,335	158,394	(19,941)
Contributions and Donations	0	1,084	1,084	0
Miscellaneous	697,700	694,682	1,926,642	1,231,960
Total Revenues	23,802,656	24,058,594	25,615,979	1,557,385
Expenditures				
Current:				
General Government:				
Legislative and Executive	6,328,906	6,438,153	5,704,768	733,385
Judicial	2,472,470	2,563,176	2,207,796	355,380
Public Safety	11,776,491	11,699,277	10,952,040	747,237
Public Works	2,074,106	2,449,471	2,309,143	140,328
Health	157,925	191,040	128,720	62,320
Human Services	2,009,501	2,009,501	727,853	1,281,648
Economic Development and Assistance	152,216	152,216	141,489	10,727
Total Expenditures	24,971,615	25,502,834	22,171,809	3,331,025
Excess of Revenues Over (Under) Expenditures	(1,168,959)	(1,444,240)	3,444,170	4,888,410
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	6,000	6,000
Advance Out	0	(74,000)	(74,000)	0
Transfers Out	(1,104,756)	(781,370)	(1,650,814)	(869,444)
Total Other Financing Sources (Uses)	(1,104,756)	(855,370)	(1,718,814)	(863,444)
Net Change in Fund Balance	(2,273,715)	(2,299,610)	1,725,356	4,024,966
Fund Balance Beginning of Year	12,463,469	12,463,469	12,463,469	0
Prior Year Encumbrances Appropriated	495,882	495,882	495,882	0
Fund Balance End of Year	$10,685,636	$10,659,741	$14,684,707	$4,024,966

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$50,000	$50,811	$55,407	$4,596
Fines and Forfeitures	40,000	42,915	45,493	2,578
Intergovernmental	6,819,847	7,134,461	7,174,143	39,682
Interest	10,000	57,006	57,006	0
Miscellaneous	5,000	37,589	39,199	1,610
Total Revenues	6,924,847	7,322,782	7,371,248	48,466
Expenditures				
Current:				
Public Works	7,699,830	9,294,966	7,832,056	1,462,910
Debt Service:				
Principal Retirement	10,743	18,021	18,021	0
Total Expenditures	7,710,573	9,312,987	7,850,077	1,462,910
Excess of Revenues Under Expenditures	(785,726)	(1,990,205)	(478,829)	1,511,376
Other Financing Sources				
Bonds Issued	0	132,600	132,600	0
Transfers In	0	618,158	618,158	0
Total Other Financing Sources	0	750,758	750,758	0
Net Change in Fund Balance	(785,726)	(1,239,447)	271,929	1,511,376
Fund Balance Beginning of Year	2,560,370	2,560,370	2,560,370	0
Prior Year Encumbrances Appropriated	790,022	790,022	790,022	0
Fund Balance End of Year	$2,564,666	$2,110,945	$3,622,321	$1,511,376

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$3,988,554	$3,988,554	$3,871,145	($117,409)
Charges for Services	169,000	169,000	143,663	(25,337)
Intergovernmental	2,019,232	2,019,232	2,276,071	256,839
Rent	54,000	54,000	39,000	(15,000)
Contributions and Donations	20,000	20,000	4,991	(15,009)
Miscellaneous	155,000	155,000	137,697	(17,303)
Total Revenues	6,405,786	6,405,786	6,472,567	66,781
Expenditures				
Current:				
Health	8,191,754	8,206,754	6,178,776	2,027,978
Net Change in Fund Balance	(1,785,968)	(1,800,968)	293,791	2,094,759
Fund Balance Beginning of Year	5,404,705	5,404,705	5,404,705	0
Prior Year Encumbrances Appropriated	170,923	170,923	170,923	0
Fund Balance End of Year	$3,789,660	$3,774,660	$5,869,419	$2,094,759

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

Statement of Revenues, Expenditures and Changes 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
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$6,959,540	$7,309,226	$6,963,850	($345,376)
Miscellaneous	5,000	205,000	133,636	(71,364)
Total Revenues	6,964,540	7,514,226	7,097,486	(416,740)
Expenditures				
Current:				
Human Services	7,163,630	8,006,321	7,562,593	443,728
Excess of Revenues Under Expenditures	(199,090)	(492,095)	(465,107)	26,988
Other Financing Sources				
Transfers In	172,096	172,096	169,851	(2,245)
Advance In	0	54,000	74,000	20,000
Total Other Financing Sources	172,096	226,096	243,851	17,755
Net Change in Fund Balance	(26,994)	(265,999)	(221,256)	44,743
Fund Balance Beginning of Year	212,222	212,222	212,222	0
Prior Year Encumbrances Appropriated	26,994	26,994	26,994	0
Fund Balance End of Year	$212,222	($26,783)	$17,960	$44,743

See accompanying notes to the basic financial statements
See accountant's compilation report

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

	Sewer Enterprise Fund
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$419,240
Receivables:	
Accounts	102,853
Special Assessments	78,403
Prepaid Items	922
Total Current Assets	601,418
Noncurrent Assets:	
Restricted Assets:	
Special Assessments Receivable	63,914
Non-Depreciable Capital Assets	1,905,214
Depreciable Capital Assets, Net	5,626,288
Total Noncurrent Assets	7,595,416
Total Assets	8,196,834
Deferred Outflows of Resources	
Asset Retirement Obligations	90,562
Liabilities	
Current Liabilities:	
Accounts Payable	11,403
Contracts Payable	472,336
Accrued Wages Payable	1,536
Leave Benefits Payable	4,766
Intergovernmental Payable	88,953
Accrued Interest Payable	4,432
Current Portion of General Obligation Bonds Payable	21,500
Current Portion of OWDA Loans Payable	57,833
Current Portion of OPWC Loans Payable	11,542
Total Current Liabilities	674,301
Long-Term Liabilities (Net of Current Portion):	
Compensated Absences Payable	800
General Obligation Bonds Payable	569,500
OWDA Loans Payable	2,469,163
OPWC Loans Payable	442,760
Asset Retirement Obligations	210,000
Total Long-Term Liabilities	3,692,223
Total Liabilities	4,366,524
Net Position	
Net Investment in Capital Assets	3,486,868
Unrestricted	434,004
Total Net Position	$3,920,872

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Fund

For the Year Ended December 31, 2020

	Sewer Enterprise Fund
Operating Revenues	
Charges for Services	$1,082,376
Miscellaneous	8,107
Total Operating Revenues	1,090,483
Operating Expenses	
Personal Services	89,026
Fringe Benefits	45,378
Contractual Services	667,391
Materials and Supplies	41,949
Depreciation	256,100
Miscellaneous	15,258
Total Operating Expenses	1,115,102
Operating Loss	(24,619)
Non-Operating Expenses	
Interest and Fiscal Charges	(70,106)
Change in Net Position	(94,725)
Net Position Beginning of Year - Restated (See Note 3)	4,015,597
Net Position End of Year	$3,920,872

See accompanying notes to the basic financial statements

See accountant's compilation report

Washington County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2020

	Sewer Enterprise Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	$1,096,915
Cash Payments for Employee Services and Benefits	(140,146)
Cash Payments for Goods and Services	(687,385)
Other Operating Revenues	8,107
Other Operating Expenses	(15,034)
Net Cash Provided by Operating Activities	262,457
Cash Flows from Noncapital Financing Activities	
Payments on Interfund Balances	(119,091)
Cash Flows from Capital and Related Financing Activities	
Special Assessments	4,020
Payments for Capital Acquistions	(1,034,767)
Proceeds from OPWC Loan	1,744,626
Principal Paid on Debt	(670,810)
Interest and Fiscal Charges Paid on Debt	(87,705)
Net Cash Used for Capital and Related Financing Activities	(44,636)
Net Increase in Cash and Cash Equivalents	98,730
Cash and Cash Equivalents Beginning of Year	320,510
Cash and Cash Equivalents End of Year	$419,240
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	($24,619)
Adjustments:	
Depreciation	256,100
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(2,580)
Decrease in Delinquent Sewer Receivable	16,692
Decrease in Prepaid Items	224
Increase in Deferred Outflows - Asset Retirement Obligations	(2,250)
Decrease in Accounts Payable	(6,783)
Decrease in Accrued Wages Payable	(2,886)
Decrease in Vacation Benefits Payable	(2,298)
Decrease in Compensated Absences Payable	(600)
Increase in Intergovernmental Payable	23,957
Increase in Asset Retirement Obligations	7,500
Net Cash Provided by Operating Activities	$262,457

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

Assets	
Equity in Pooled Cash and Cash Equivalents	$3,419,699
Cash and Cash Equivalents in Segregated Accounts	824,974
Investments in Segregated Accounts	30,435
Receivables:	
Intergovernmental	3,026,188
Accounts	1,629,663
Property Taxes	63,983,660
Special Assessments	222,607
Total Assets	73,137,226
Liabilities	
Accounts Payable	34,205
Intergovernmental Payable	6,802,613
Total Liabilities	6,836,818
Deferred Inflows of Resources	
Property Taxes	58,417,820
Net Position	
Restricted for Individuals, Organizations, and Other Governments	$7,882,588

See accompanying notes to the basic financial statements
See accountant's compilation report

Washington County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2020

Additions	
Intergovernmental	$16,395,420
Amounts Received as Fiscal Agent	1,437,929
Licenses, Permits and Fees Collected for Other Governments	12,696,002
Fines and Forfeitures Collected for Other Governments	688,911
Property Tax Collections for Other Governments	77,628,412
Special Assessment Collections for Other Governments	222,607
Miscellaneous	713,489
Total Additions	109,782,770
Deductions	
Distributions to the State of Ohio	523,806
Distributions of State Funds to Other Governments	5,866,741
Distributions as Fiscal Agent	10,734,453
Fines and Forfeitures Distributions to Other Governments	12,998,834
Property Tax Distributions to Other Governments	73,513,254
Miscellaneous	252,001
Total Deductions	103,889,089
Increase in Fiduciary Net Position	5,893,681
Net Position Beginning of Year	1,988,907
Net Position End of Year	$7,882,588

See accompanying notes to the basic financial statements
See accountant's compilation report

NOTE 1 - REPORTING ENTITY

Washington County, Ohio (the County), was created July 26, 1778, by Governor Arthur St. Clair. The County was the first county formed in the Northwest Territory and is composed of twenty-two townships. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, and Sheriff. Also elected are two Common Pleas Court Judges and a Probate and Juvenile Court Judge. The County Commissioners serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the 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.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Washington County, this includes the Board of Developmental Disabilities, the Mental Health and Addiction Recovery Board, and all departments and activities that are directly operated by the elected County Officials.

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

Discretely Presented Component Units

Southeastern Ohio Port Authority (the Authority) was created during 2003, pursuant to Sections 4582.202 through 4582.58, inclusive, of the Ohio Revised Code for the purpose of promoting the manufacturing, commerce, distribution, and research and development interest of Southeastern Ohio, including rendering financial and other assistance to such enterprises situated in the region and to induce the location in Southeastern Ohio of other manufacturing, commerce, distribution, and research entities; to purchase, subdivide, sell, and lease real property in Southeastern Ohio; and erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Southeastern Ohio. The Authority's Board of Directors consists of the number of Directors it deems necessary. They are appointed by the Washington County Commissioners. The County assumes the responsibility to provide financial support to the Authority and has guaranteed the debt of the Authority; therefore, it is included as a discretely presented component unit. Separately issued financial statements can be obtained from the Authority in Marietta, Ohio.

The following potential component units have been excluded from the County's financial statements:

Washington County Career Center
Washington County Agricultural Society
Washington County Historical Society
Washington State Community College
Washington County Cooperative Extension
Marietta Tourist and Convention Bureau
Washington County Law Library

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:

Washington County General Health District The District is governed by the Board of Health which oversees the operation of the District and is elected by a regional advisory council composed of 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.

Washington 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.

The County is associated with certain organizations which are defined as jointly governed organizations and insurance purchasing pools. These organizations are presented in Notes 19 and 22 to the Basic Financial Statements. The organizations are:

Buckeye Hills Regional Council
Southeastern Ohio Joint Solid Waste Management District
Washington-Morgan Community Action Corporation
Washington County Family and Children First Council
Wood, Washington, and Wirt Planning Commission
Buckeye Hills Resource Conservation and Development Council (RC&D)
Mid-East Ohio Regional Council (MEORC)
Ohio Valley Employment Resource (OVER)
Regional Child Abuse Prevention Council
County Risk Sharing Authority, Inc. (CORSA)
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)

The County is associated with the Washington County Public Library, which is classified as a related organization. Additional information concerning the related organization is presented in Note 21.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

Fund Financial Statements During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

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

> ***General Fund*** The General Fund 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 and transferred according to the general laws of Ohio.
>
> ***Motor Vehicle and Gasoline Tax Fund*** This fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive sales taxes, and interest. Expenditures in this fund are restricted by state law to County road and bridge repair/improvements programs.
>
> ***Board of Developmental Disabilities Fund*** This fund accounts for the operation of a school and the costs of administering a sheltered workshop for the developmentally disabled residents of the County. Revenue sources are federal and state grant monies and a county-wide property tax levy.
>
> ***Job and Family Services Fund*** This fund accounts for various federal and state grants as well as transfers from the general fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The County has no internal service funds.

> ***Enterprise Fund*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's Enterprise Fund:
>
> > ***Sewer Fund*** This fund accounts for sanitary sewer services provided to County individual and commercial users. The costs of providing these services are financed primarily through user charges.

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. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's fiduciary funds are all custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; for State shared resources received from the State and distributed to other local governments.

C. Measurement Focus

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

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

Like the government-wide statements, all proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, pension, and OPEB. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, payments in lieu of taxes, sales taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities are found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2020 upon which the final appropriations were based.

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.

F. Cash and Cash Equivalents

To improve cash management, cash received by the County Treasurer is pooled. Cash balances, except cash held by a fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Various departments within the County have segregated bank accounts for monies held separate from the County's central bank account. These accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited with the County Treasurer.

During 2020, investments were limited to certificates of deposit and commercial paper, corporate notes, and in federal agency securities, which are reported at fair value based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. County policy requires interest earned on investments to be credited to the General Fund except where there is a legal requirement or there are bond proceeds for capital improvements. Interest revenue credited to the General Fund during 2020 amounted to $1,458,256, which includes $961,112 assigned from other County funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents.

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 City 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 $100 million or more. STAR Ohio reserves the right to limit the transaction 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.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by the 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. Special assessments receivable are also presented as restricted assets as their use is limited by the authorizing statute.

I. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Using these criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Interfund Balances

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

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the fund.

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Land Improvements	40-100 Years	n/a
Buildings and Improvements	40-100 Years	40-100 Years
Machinery and Equipment	5-10 Years	5-10 Years
Furniture and Fixtures	5-20 Years	n/a
Vehicles	8 Years	8 Years
Business-Type Infrastructure	N/A	40 Years

The County’s infrastructure consists of County roads and bridges, certain culverts, and sewer systems. The County reports infrastructure acquired prior to December 31, 1980.

County road and bridges (infrastructure reported in the Governmental activities column of the statement of net position) are presented using the modified approach and therefore these assets are not depreciated. In addition, expenditures made by the County to preserve existing roads or bridges are expensed rather than capitalized. Only expenditures for additions or improvements are capitalized. Additional disclosures about the condition assessments and maintenance cost regarding the County’s roads and bridges appear in the Required Supplementary Information.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "leave benefits payable", rather than long term liabilities, as the balances are to be used by the employees in the year following the year benefits are earned.

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

N. Accrued Liabilities and Long-term Obligations

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

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

O. Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" 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 mandates 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 specific by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the 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 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 or a County official delegated that authority by resolution or by State Statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

P. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use 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.

Q. Operating Revenues and Expenses

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

R. Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities 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 revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Bond Premiums and Discounts

Bond discounts and premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable. Bond premiums are presented as an addition to the face amount of the bonds. On the government fund financial statements, bond premiums and bond discounts are recognized in the period in which bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

T. Pension/Other Postemployment Benefits (OPEB)

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County did not have any extraordinary or special items in 2020.

V. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES AND NET POSITION

For 2020, the County implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 had the following effect on net position as of December 31, 2019:

	Business-Type Activities
Net Position December 31, 2019	$4,129,785
Adjustments:	
Deferred Outflows of Resources	88,312
Asset Retirement Obligations	(202,500)
Restated Net Position December 31, 2019	$4,015,597

	Sewer
Net Position December 31, 2019	$4,129,785
Adjustments:	
Deferred Outflows of Resources	88,312
Asset Retirement Obligations	(202,500)
Restated Net Position December 31, 2019	$4,015,597

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 the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	Job and Family Services	Nonmajor Governmental Funds	Total
Nonspendable:						
Inventory	$84,950	$591,489	$9,424	$3,568	$46,133	$735,564
Prepaids	326,029	13,850	37,539	28,705	121,053	527,176
Unclaimed monies	312,740	0	0	0	0	312,740
Total Nonspendable	723,719	605,339	46,963	32,273	167,186	1,575,480
Restricted for:						
County Home Operations	0	0	0	0	3,731,384	3,731,384
Road and Bridge Maintenance	0	6,311,142	0	0	0	6,311,142
Developmental Disabilities	0	0	6,126,804	0	0	6,126,804
Mental Health Operations	0	0	0	0	2,067,514	2,067,514
Capital Improvements	0	0	0	0	1,030,823	1,030,823
Urban Transportation	0	0	0	0	194,482	194,482
Bond Retirement	0	0	0	0	373,709	373,709
Sheriff Operations	0	0	0	0	717,437	717,437
Disaster Services	0	0	0	0	128,914	128,914
911 Operations	0	0	0	0	675,437	675,437
Dog and Kennel	0	0	0	0	192,014	192,014
Marriage Licenses	0	0	0	0	9,628	9,628
Senior Services	0	0	0	0	186,751	186,751
Child Support Services	0	0	0	0	991,771	991,771
Court and Corrections	0	0	0	0	667,315	667,315
Board of Elections	0	0	0	0	65,341	65,341
Economic Development	0	0	0	0	154,957	154,957
Children Services Operations	0	0	0	0	374,265	374,265
Real Estate Assessments	0	0	0	0	2,177,315	2,177,315
Total Restricted	0	6,311,142	6,126,804	0	13,739,057	26,177,003
Committed to:						
Sheriff Equipment	57,822	0	0	0	0	57,822
Capital Projects	0	0	0	0	689,061	689,061
Background Investigations	0	0	0	0	65,721	65,721
Total Committed	57,822	0	0	0	754,782	812,604
Assigned to:						
2021 Appropriations	2,940,492	0	0	0	0	2,940,492
Purchases on Order	663,913	0	0	0	0	663,913
Total Assigned	3,604,405	0	0	0	0	3,604,405
Unassigned:	15,337,062	0	0	(297,450)	0	15,039,612
Total Fund Balances	$19,723,008	$6,916,481	$6,173,767	($265,177)	$14,661,025	$47,209,104

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the General and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

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

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

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

6. The investment market value adjustment is the amount recorded to bring investments to market value on the balance sheet (GAAP basis) that is not recorded on the budgetary (Cash basis)

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

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Motor Vehicle and Gasoline Tax	Board of Developmental Disabilities	Job and Family Services
GAAP Basis	$3,533,797	$1,930,322	$717,680	($345,895)
Net Adjustment for Revenue Accruals	(78,094)	115,461	(10,210)	77,109
Beginning of the Year:				
Unrecorded Cash	66,732	3,227	0	0
Unreported Interest	46,848	0	0	0
GASB 31 Adjustment	160,834	0	0	0
Custodial Fund Cash Allocation	75,078	0	71,402	0
Prepaid Items	300,341	29,642	53,946	39,050
End of the Year:				
Unrecorded Cash	(30,693)	(4,617)	0	0
Cash in Segregated Accounts	(285)			
Unreported Interest	(72,153)	0	0	0
GASB 31 Adjustment	(537,687)	0	0	0
Custodial Fund Cash Allocation	(86,657)	0	(89,048)	0
Prepaid Items	(326,029)	(13,850)	(37,539)	(28,705)
Net Adjustment for Expenditure Accruals	(305,171)	112,605	(115,271)	(34,445)
Advances In	0	0	0	74,000
Advances Out	(74,000)	0	0	0
Encumbrances	(947,505)	(1,900,861)	(297,169)	(2,370)
Budget Basis	$1,725,356	$271,929	$293,791	($221,256)

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:

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

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

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

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

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC 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. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

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

At year end, the County had $114,992 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level Two Inputs				
Municipal Bonds	$1,187,815	Less than five years	AA-	5.55
Commercial Papers	1,363,427	Less than five years	A1-P1	6.37
Federal National Mortgage Association Note	3,145,710	Less than five years	AAA	14.70
Federal Farm Credit Bonds	3,989,483	Less than five years	AAA	18.64
Federal Home Loan Mortgage Corporation Notes	6,940,671	Less than five years	AAA	32.43
Negotiable Certificates of Deposit	4,774,641	Less than five years	n/a	22.31
Total Investments	$21,401,747			

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. All of the County's investments are valued using quoted market prices (Level 2 inputs).

Interest Rate Risk The County's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Federal National Mortgage Association Note carried a credit rating by Moody's of Aaa. The County has no investment policy that would limit its investment choices other than the restrictions contained in State statute.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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.

NOTE 7 - RECEIVABLES

A. Property Taxes

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

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

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

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

The full tax rate for all County operations for the year ended December 31, 2020, was $10.05 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property	$1,268,966,140
Public Utility Personal Property	361,124,940
Total	$1,630,091,080

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

B. Tax Increment Financing Receivable

The County entered into a Tax Increment Financing Agreement with Broughton Commercial Properties, LLC during 2017 for infrastructure improvements. To encourage these improvements, the company was granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County each year in an amount equal to the real property taxes that otherwise would have been due. The County is not able to record a receivable for the entire amount for all payments because the payments are based upon project collections. These payments are being used to finance the above improvements and will continue until the earlier of 20 years or until the revenue in lieu of taxes equals or exceeds the cost of improvements. A receivable in the amount of $19,978 has been recorded in the RT 821 TIF Fund.

C. Special Assessments Receivable

In prior years, special assessments were assessed for the partial repayment of business-type activities debt. These special assessments relating to the payment of debt are not expected to be fully collected within one year. The amount not scheduled for collection during the subsequent year is $44,800.

D. Intergovernmental Receivables

Governmental Activities	Amounts
Gas Excise Tax	$1,608,908
Motor Vehicle License Tax	775,698
Homestead and Rollback	536,739
CDBG - C.H.I.P. Grant	397,178
Local Government	324,551
Continuum of Care	323,940
Casino Tax	322,983
Over/Under funding	299,964
Juvenile Court Grant	116,295
T-CAP Grant	95,580
Transit Grant	81,048
Federal Treatment (Per Capita Grant)	69,362
Permissive Motor Vehicle License Tax	68,372
Miscellaneous	44,876
Special Education Part B- IDEA	42,375
BJA Drug Court Grant	30,105
Mental Health Title XX	28,179
National Service Grants	27,675
Tiger Transit Grant	26,520
WV AmeriCorps Grant	25,413
Federal Prevention	24,675
Youth Services Subsidy Grant	24,129
Community Based Corrections Grant	24,000
Federal Block Grant	19,843
Emergency Management Performance	18,262
State Prevention Services Grant	14,714
Continuum of Care - Alcohol or Drug	14,237
Early Childhood Special Education	13,866
Election Expense	13,617
Governor's Emergency Education Relief Grant	11,092
State Gambling Addiction Prevention	10,089
Mental Health Title XIX	6,313
IDEP/STEP Grant	3,325
Criminal Justice Services - Forensic Monitoring	3,022
Federal Planning Grant	2,819
SVAA Grant	2,400
National Senior Services Corps Grant	2,278
Additional Addiction Block Grant	1,100
VOCA Grant	962
USDA Forest Service Grant	340
Total Intergovernmental Receivable	$5,456,844

NOTE 8 - PERMISSIVE SALES AND USE TAX

In 1983, the County Commissioners, by resolution, imposed a one percent tax on all retail sales made in the County and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. At the November 1989 general election, an additional one-half percent tax was approved by the voters of the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management (OBM) 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. A receivable is recognized at year end for amounts that will be received from sales which occurred during 2020.

NOTE 9 - CAPITAL ASSETS

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

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$1,221,124	$0	$0	$1,221,124
Infrastructure	141,946,326	861,462	0	142,807,788
Total Non-Depreciable Capital Assets	143,167,450	861,462	0	144,028,912
Depreciable Capital Assets:				
Land Improvements	811,130	0	0	811,130
Buildings and Improvements	25,540,833	58,518	0	25,599,351
Machinery and Equipment	9,098,420	360,192	(148,681)	9,309,931
Furniture and Fixtures	1,522,093	274,655	0	1,796,748
Vehicles	7,617,514	366,125	(142,673)	7,840,966
Total Depreciable Capital Assets	44,589,990	1,059,490	(291,354)	45,358,126
Accumulated Depreciation:				
Land Improvements	(732,315)	(18,731)	0	(751,046)
Buildings and Improvements	(14,676,342)	(571,332)	0	(15,247,674)
Machinery and Equipment	(7,105,139)	(382,915)	140,696	(7,347,358)
Furniture and Fixtures	(1,239,952)	(46,726)	0	(1,286,678)
Vehicles	(5,514,985)	(396,406)	141,923	(5,769,468)
Total Accumulated Depreciation	(29,268,733)	(1,416,110) *	282,619	(30,402,224)
Total Depreciable Capital Assets, Net	15,321,257	(356,620)	(8,735)	14,955,902
Governmental Capital Assets, Net	$158,488,707	$504,842	($8,735)	$158,984,814

* Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	$228,995
Judicial	23,734
Public Safety	545,199
Public Works	298,233
Health:	
Alcohol, Drug, and Mental Health	2,974
Board of Developmental Disabilities	97,774
County Home	50,360
Other Health	12,959
Human Services:	
Child Support Enforcement	1,208
Children Services	99,880
Job and Family Services	31,749
Other Human Services	23,045
Total Depreciation Expense	$1,416,110

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020
Business-Type Activity:				
Non-Depreciable Capital Assets:				
Land	$379,120	$0	$0	$379,120
Construction in Progress	18,991	1,507,103	0	1,526,094
Total Non-Depreciable Capital Assets	398,111	1,507,103	0	1,905,214
Depreciable Capital Assets:				
Buildings and Improvements	616,181	0	0	616,181
Machinery and Equipment	512,314	0	0	512,314
Infrastructure	9,624,227	0	0	9,624,227
Vehicles	65,341	0	0	65,341
Total Depreciable Capital Assets	10,818,063	0	0	10,818,063
Accumulated Depreciation:				
Buildings and Improvements	(471,974)	(12,263)	0	(484,237)
Machinery and Equipment	(457,251)	(5,098)	0	(462,349)
Infrastructure	(3,965,047)	(233,837)	0	(4,198,884)
Vehicles	(41,403)	(4,902)	0	(46,305)
Total Accumulated Depreciation	(4,935,675)	(256,100)	0	(5,191,775)
Total Depreciable Capital Assets, Net	5,882,388	(256,100)	0	5,626,288
Business-Type Capital Assets, Net	$6,280,499	$1,251,003	$0	$7,531,502

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. During 2020, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 22), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

	Coverage	Deductible
General Liability	$1,000,000 each occurrence	$2,500
Law Enforcement Liability	1,000,000 each occurrence	2,500
Automobile Liability	1,000,000 each occurrence	2,500
Errors and Omissions Liability	1,000,000/1,000,000	2,500
Property Damage Liability	120,582,784	2,500
Equipment Breakdown	1,000,000	2,500
Crime	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Professional Liability	1,000,000	2,500
Medical Professional Liability	3,000,000	2,500

Settled claims have not exceeded coverage in any of the last three years. There has been no significant reduction in coverage from the prior year.

The County pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

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

Note 11 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

County Employees, other than certified teachers, 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 and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January

7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee *	10.0%	**	***
2020 Actual Contribution Rates			
Employer:			
Pension ****	14.0%	18.1%	18.1%
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0%	18.1%	18.1%
Employee	10.0%	12.0%	13.0%

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

** 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.

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

** 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 $2,749,742 for the traditional plan, $76,978 for the combined plan, and $62,752 for the member-directed plan. Of these amounts, $315,431 is reported as an intergovernmental payable for the traditional plan, $7,956 for the combined plan, and $6,489 for the member-directed plan. The Special Funding Situation contractually required contribution to OPERS was $19,583 for 2020. Of this amount, $943 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was $81,126 for 2020. Of this amount $1,191 is reported as an intergovernmental payable.

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

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

	OPERS				
	Traditional Plan	Combined Plan	Special Funding Situation	STRS	Total
Proportion of the Net Pension Liability/Asset:					
Current Measurement Date	0.13617504%	0.13179360%	0.00121500%	0.00472633%	
Prior Measurement Date	0.14018112%	0.13377120%	0.00129100%	0.00537580%	
Change in Proportionate Share	-0.00400608%	-0.00197760%	-0.00007600%	-0.00064947%	
Proportionate Share of the:					
Net Pension Liability	$26,915,920	$0	$240,153	$1,143,605	$28,299,678
Net Pension Asset	0	274,821	0	0	274,821
Pension Expense	3,538,667	30,364	58,370	5,686	3,633,087

2020 pension expense for the member-directed defined contribution plan was $62,752. The aggregate pension expense for all pension plans was $3,695,839 for 2020.

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

	OPERS				
	Traditional Plan	Combined Plan	Special Funding Situation	STRS	Total
Deferred Outflows of Resources					
Differences between expected and actual experience	$0	$0	$0	$2,566	$2,566
Changes of assumptions	1,437,625	28,337	12,827	61,390	1,540,179
Net difference between projected and actual earnings on pension plan investments	0	0	0	55,614	55,614
Changes in proportion and differences between County contributions and proportionate share of contributions	0	2,798	0	0	2,798
County contributions subsequent to the measurement date	2,749,742	76,978	19,583	42,389	2,888,692
Total Deferred Outflows of Resources	$4,187,367	$108,113	$32,410	$161,959	$4,489,849
Deferred Inflows of Resources					
Differences between expected and actual experience	$340,313	$64,518	$3,036	$7,312	$415,179
Net difference between projected and actual earnings on pension plan investments	5,369,122	35,645	47,905	0	5,452,672
Changes in proportion and differences between County contributions and proportionate share of contributions	569,724	7,199	17,626	215,859	810,408
Total Deferred Inflows of Resources	$6,279,159	$107,362	$68,567	$223,171	$6,678,259

$2,888,692 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS				
	Traditional Plan	Combined Plan	Special Funding Situation	STRS	Total
Year Ending December 31:					
2020	($1,009,473)	($18,132)	($19,656)	($68,931)	($1,116,192)
2021	(1,922,501)	(17,466)	(19,048)	(33,363)	(1,992,378)
2022	222,334	(7,526)	1,985	617	217,410
2023	(2,131,894)	(20,577)	(19,021)	(1,924)	(2,173,416)
2024	0	(4,346)	0	0	(4,346)
Thereafter	0	(8,180)	0	0	(8,180)
Total	($4,841,534)	($76,227)	($55,740)	($103,601)	($5,077,102)

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 below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	3 percent, simple through 2020, then 2.15 percent, 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 the 2.15 percent simple.

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

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

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$44,393,063	$26,915,920	$11,204,482
OPERS Combined Plan	(166,060)	(274,821)	(353,207)
Special Funding Situation's proportionate share of the net pension liability	$396,090	$240,153	$99,970

Actuarial Assumptions – STRS

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

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

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

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

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

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	$1,628,293	$1,143,605	$732,870

Note 12 - DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit 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 Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $25,101 for 2020. Of this amount, $2,596 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	OPERS			
	Contributions made by the County	Special Funding Situation	STRS	
Proportion of the Net OPEB Liability Current Measurement Date	0.13458720%	0.00113100%	0.00472633%	
Proportion of the Net OPEB Liability Prior Measurement Date	0.13867872%	0.00120200%	0.00537580%	
Change in Proportionate Share	-0.00409152%	0.00007100%	0.00064947%	
Proportionate Share of the Net:				Total
OPEB Asset	$0	$0	$83,065	$83,065
OPEB Liability	18,589,991	156,220	0	18,746,211
OPEB Expense	1,646,193	27,928	(8,350)	1,665,771

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

	OPERS			
	Contributions made by the County	Special Funding Situation	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$498	$4	$5,322	$5,824
Changes of assumptions	2,942,597	24,728	1,371	2,968,696
Net difference between projected and actual earnings on OPEB plan investments	0	0	2,911	2,911
Changes in proportionate Share and difference between County contributions and proportionate share of contributions	11,137	1,706	0	12,843
County contributions subsequent to the measurement date	25,101	0	0	25,101
Total Deferred Outflows of Resources	$2,979,333	$26,438	$9,604	$3,015,375
Deferred Inflows of Resources				
Differences between expected and actual experience	$1,700,140	$14,287	$16,546	$1,730,973
Changes of assumptions	0	0	78,898	78,898
Net difference between projected and actual earnings on OPEB plan investments	946,597	7,955	0	954,552
Changes in Proportionate Share and Difference between County contributions and proportionate share of contributions	335,320	10,474	14,070	359,864
Total Deferred Inflows of Resources	$2,982,057	$32,716	$109,514	$3,124,287

$25,101 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS			
	Contributions made by the County	Special Funding Situation	STRS	Total
Fiscal Year Ending June 30:				
2021	$278,538	($2,419)	($24,862)	$251,257
2022	97,374	(467)	(22,892)	74,015
2023	754	7	(22,200)	(21,439)
2024	(404,491)	(3,399)	(21,771)	(429,661)
2025	0	0	(4,018)	(4,018)
Thereafter	0	0	(4,167)	(4,167)
Total	($27,825)	($6,278)	($99,910)	($134,013)

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, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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

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

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

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

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
County's proportionate share of the net OPEB liability	$24,327,982	$18,589,991	$13,995,723
Special Funding Situation's proportionate share of the net OPEB liability	$204,440	$156,220	$117,613

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$18,041,414	$18,589,991	$19,131,570
Special Funding Situation's proportionate share of the net OPEB liability	$151,611	$156,220	$160,772

Changes between Measurement Date and Reporting Date

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

Actuarial Assumptions – STRS

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

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	($72,272)	($83,065)	($92,223)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($91,654)	($83,065)	($72,602)

NOTE 13 - OTHER EMPLOYER BENEFITS

A. *Deferred Compensation Plan*

Washington County employees and elected officials may participate in a state-wide deferred compensation plan created in accordance with Internal Revenue Code Section 457 offered by the State of Ohio. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

B. Compensated Absences

County employees follow various personnel policies as established by the County Commissioners, union agreements, or departmental mandates. Some employees of the Board of Developmental Disabilities, Engineer, and Child Support Enforcement departments are represented by union agreements. Employees of Mental Health, Job and Family Services, Sheriff, Engineer, Board of Developmental Disabilities (union and non-union), Children's Services, County Home departments follow their own departmental policies. All other County employees follow the Commissioners policy.

Each employee accrues 4.6 hours of sick time for each two week pay period worked. Accrual continues during periods of approved paid leave. Unused sick leave is cumulative without limit. Job and Family Services, the Board of Developmental Disabilities (union employees), and Child Support Enforcement employees earn annual leave based on their length of service and can be converted to extended illness leave at the rate of three days credit for each two days of unused leave converted. Upon retirement, with 10 years of service with the County, the State, or any of its political subdivisions, all employees, except for Job and Family Services, Board of Developmental Disabilities employees (non-union and union), Child Support Enforcement (union), and Children Services (hired prior to July 3, 2013) are paid 25% of their sick leave up to a maximum of 240 hours. Board of Developmental Disabilities non-union employees, with 10 years of service with the County, are paid 50% of their sick leave up to a maximum of 480 hours. Board of Developmental Disabilities union employees are paid 25% of their annual leave balance not to exceed 480 hours. Children's Services employees hired prior to July 3, 2013, with 10 years of service with the County, are paid 100% of their sick balances that they had accrued at June 22, 2013. In addition to each employee's June 22, 2013 sick leave balance they are paid 25% of the value of the sick leave accrued but unused between June 23, 2013 and the time of retirement or 240 hours; the lessor of the two numbers. The maximum of such payment shall not exceed 1,000 hours. Child Support Enforcement union employees are paid their total hours times 2/3 times 50% of the final rate of pay up to a maximum of 500 hours. Job and Family Services employees are paid their total hours times 2/3 times 50% of the final rate of pay up to a maximum of three times the employee's annual leave entitlement.

Unused vacation time and compensatory time are paid to a terminated employee at varying rates depending on length of service and department policy.

C. Insurance Benefits

During 2020, the County participated with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO) (a risk-sharing pool – see Note 22). CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into each participating County 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 for claims that exceed the expected losses and charged premiums.

The County provides employee medical/surgical benefits to employees, except Washington County Highway and Washington County Sheriff's Department, through Anthem Blue Cross/Blue Shield. The plan has $1,500 single and $3,000 family deductible limits. Except for employees of the Mental Health, Soldiers Relief, and Health Department, the County pays 80 percent of the total monthly premium for both single and family coverage. The County pays 100 percent for both single and family coverage for employees of the Mental Health Department and Soldiers Relief. The County pays 81 percent for both single and family coverage for employees of the Health Department. Premiums are paid from the same funds that pay the employee's salaries.

The County provides employee life insurance and accidental death and dismemberment insurance to employees, except for life insurance for Board of Developmental Disabilities, through Dearborn National in the amount of $10,000 each employee and $30,000 for management employees.

Dental insurance is provided to employees of the Department of Job and Family Services, Child Support Enforcement Agency, and the Children Services Board. Vision insurance is provided to employees of the Department of Job and Family Services and the Child Support Enforcement Agency. Dental insurance is provided to employees of the Board of Developmental Disabilities through CBA Benefit Services.

NOTE 14 - LEASES - LESSEE DISCLOSURE

A. *Capital Leases*

In the prior years, the County entered into agreements to lease radio equipment, server equipment, and ballot equipment. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the financial statements. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balance for the governmental funds.

Equipment acquired by lease has been capitalized for governmental activities in the amount of $180,000, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded for governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of $54,000 for machinery and equipment.

Future minimum lease payments through 2023 are as follows:

	Governmental Activities		
Year	Principal	Interest	Total
2021	$52,167	$5,655	$57,822
2022	53,987	3,834	57,821
2023	55,872	1,950	57,822
Total	$162,026	$11,439	$173,465

B. Operating Leases

During 2011, the County entered into a lease agreement with Broughton Commercial Properties, LLC, to rent a building for the Board of Developmental Disabilities. The term of the lease agreement was for nine years and ended on February 28, 2020. The current terms of the agreement calls for the County to make monthly rent payments of $1,545 plus $730 in utility, insurance, and maintenance fees for a total of $2,275 monthly. During 2020, the County paid $4,551 in rental payments for this lease.

NOTE 15 - LONG-TERM OBLIGATIONS

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

	Original Issue Amount	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amounts Due within One Year
Governmental Activities:						
General Obligation Bonds:						
From Direct Placements:						
2011 - Various Purpose Refunding Bonds:						
Term - 2.75%	$110,000	$55,000	$0	$55,000	$0	$0
Term - 2.90%	115,000	115,000	0	0	115,000	55,000
Term - 3.60%	250,000	250,000	0	0	250,000	0
Bond Premium		8,476	0	1,241	7,235	0
Bond Discount		(5,326)	0	(780)	(4,546)	0
2012 - Capital Facilities Jail Refunding Bonds:						
Serial - 1%-2.50%	2,055,000	960,000	0	230,000	730,000	235,000
Bond Premium		3,221	0	805	2,416	0
2020 USDA Bonds - 2.25%	132,600	0	132,600	0	132,600	12,000
Total General Obligation Bonds From Drect Placements		1,386,371	132,600	286,266	1,232,705	302,000
OPWC Loans:						
From Direct Borrowings:						
2019 - Road 14 Paving - 0%	360,430	342,408	0	18,021	324,387	18,021
Net Pension Liability:						
OPERS		38,746,345	0	11,590,272	27,156,073	0
STRS		1,188,826	0	45,221	1,143,605	0
Total Net Pension Liability		39,935,171	0	11,635,493	28,299,678	0
Net OPEB Liability:						
OPERS		18,237,144	509,067	0	18,746,211	0
Total Net OPEB Liability		18,237,144	509,067	0	18,746,211	0
Capital Leases		162,026	0	0	162,026	52,167
Compensated Absences - Sick Leave		473,249	4,789	44,216	433,822	51,890
Total Governmental Activities		$60,536,369	$646,456	$11,983,996	$49,198,829	$424,078

	Original Issue Amount	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amounts Due within One Year
Business-Type Activities:						
General Obligation Bonds:						
From Direct Placements:						
1997 - FHA Sewer - 4.5%	$873,000	$612,000	$0	$21,000	$591,000	$21,500
OPWC Loans:						
From Direct Borrowings:						
1999 - Cherry Blossom Sewer Loan - 2.00%	80,370	2,424	0	2,424	0	0
2012 - Woodlawn Acres Sewer Improvements Loan - 0%	440,512	359,751	0	14,684	345,067	7,341
2011 - Sanitary System Improvements Loan - 0%	168,053	117,638	0	8,403	109,235	4,201
Total OPWC Loans From Direct Borrowings		479,813	0	25,511	454,302	11,542
OWDA Loans:						
From Direct Borrowings:						
2004 - OWDA Sewer Loan - 3.41%	283,227	81,339	0	17,021	64,318	8,729
2009 - OWDA Riverview Sewer Rehabilitation Loan - 1.50%	283,024	152,067	0	14,205	137,862	7,182
2010 - OWDA Lift Station and Sewer Improvements Loan - 1.50%	227,595	139,102	0	11,169	127,933	5,648
2011 - OWDA Devola Lift Station Improvements Loan - 3.20%	1,556,231	1,018,400	0	70,844	947,556	36,274
2019 - OWDA Terri Lane Improvements Loan - 2.92%	215,804	15,761	175,501	4,069	187,193	0
2020 - OWDA Devola Sanitary Sewer Improvement Loan - 0%	506,991	0	506,991	506,991	0	0
2020 - OWDA Devola Sanitary Sewer Improvement Loan - 0%	2,622,354	0	1,062,134	0	1,062,134	0
Total OWDA Loans From Direct Borrowings		1,406,669	1,744,626	624,299	2,526,996	57,833
Compensated Absences - Sick Leave		1,400	0	600	800	0
Asset Retirement Obligations		202,500	7,500	0	210,000	
Total Business-Type Activities		$2,702,382	$1,752,126	$671,410	$3,783,098	$90,875

A. *Governmental Activities*

The 2011 Various Purpose Refunding Bonds are unvoted and are being retired from the General Bond Retirement Fund with general property tax revenues for the Juvenile Center portion and from rental payments received from the Job and Family Services Special Revenue Fund for their portion. The 2012 Capital Facilities Jail Refunding Bonds are unvoted and will be retired from the General Bond Retirement Fund with general property tax revenues. The OPWC loans are unvoted and will be retired from the Motor Vehicle and Gasoline Tax Fund. The capital leases are being paid for by the General Fund. Compensated absences for sick leave liabilities will be paid from the General Fund and the Mental Health, Job and Family Services, Child Support Enforcement Agency, Motor Vehicle and Gasoline Tax, County Home, Board of Developmental Disabilities, Children Services, Dog and Kennel, 911, Court Corrections, Sheriff, Disaster

Services, Retired Senior Volunteer Program, and Real Estate Assessment Special Revenue Funds. There are no repayment schedules for the net pension and OPEB liabilities. However, employer pension contributions are made from the following funds: the General Fund and the Mental Health, Job and Family Services, Child Support Enforcement Agency, Motor Vehicle and Gasoline Tax, County Home, Board of Developmental Disabilities, Children Services, Dog and Kennel, 911, Court Corrections, Common Pleas Background, Sheriff, Disaster Services, Retired Senior Volunteer Program, and Real Estate Assessment Special Revenue Funds.

2011 Refunding Bonds:

On November 11, 2011, the County issued refunding bonds of $1,670,000 consisting of $1,195,000 in serial bonds and $475,000 in term bonds. The bonds were sold at a premium and discount of $18,605 and $11,690, respectively, and will be amortized over the term of the bonds. These bonds were issue to refund various purpose general obligation bonds. As of December 31, 2020, the refunded bonds have been fully repaid.

Mandatory Redemptions The Refunding Bonds maturing on December 1, 2020, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

The remaining principal balance of $55,000 was paid on October 26, 2020.

The bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, on December 1 of the year shown in, and according to, the following schedule:

Year	Amount
2021	$55,000

The remaining principal balance of $60,000 is scheduled to be paid at the stated maturity of the corresponding Term Bond.

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, on December 1 of the year shown in, and according to, the following schedule:

Year	Amount
2023	$60,000
2024	60,000
2025	65,000

The remaining principal balance of $65,000 is scheduled to be paid at the stated maturity of the corresponding Term Bond.

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding Term Bonds.

Optional Redemption The bonds maturing on or after December 1, 2020, are also subject to prior redemption, by and at the sole option of the County, in whole or in part as selected by the County (in whole multiples of $5,000), on any date on or after December 1, 2019, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

2012 Refunding Bonds:

On April 11, 2012, the County issued refunding bonds of $2,180,000 consisting of $2,055,000 in serial bonds and $125,000 in term bonds. The refunding bonds will mature on December 1, 2023. These bonds were issued to advance refund part of the 2004 Capital Facilities Jail Bonds. The advance refunded portion of the bonds, as well as the unamortized premium and discount of these advance refunded bonds, were removed from the financial statements of the County. The refunded bonds were retired in 2014.

Optional Redemption The bonds maturing on or after December 1, 2020, are also subject to prior redemption on or after June 1, 2020, by and at the sole option of the County, either in whole or in part (as selected by the County) on any date and in integral multiples of $5,000, at par plus accrued interest to the redemption date.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2020, are as follows:

	Various Purpose Refunding Bonds		
Year Ended	Term		
December 31,	Principal	Interest	Total
2021	$55,000	$12,335	$67,335
2022	60,000	10,740	70,740
2023	60,000	9,000	69,000
2024	60,000	6,480	66,480
2025	65,000	3,510	68,510
2026	65,000	3,510	68,510
	$365,000	$45,575	$410,575

	Capital Facilities Jail Refunding Bonds		
Year Ended	Serial		
December 31,	Principal	Interest	Total
2021	$235,000	$17,350	$252,350
2022	250,000	12,063	262,063
2023	245,000	6,125	251,125
	$730,000	$35,538	$765,538

USDA Bond:

During 2020, the County entered into a bond agreement with the United States Department of Agriculture (USDA) in the amount of $132,600 at 2.25 percent interest for the purpose of purchasing equipment for the Engineers department. Principal payments are due July 1 of each year through 2030.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2020, are as follows:

Year Ended December 31,	USDA Bond Principal	Interest	Total
2021	$12,000	$2,984	$14,984
2022	12,200	2,714	14,914
2023	12,500	2,439	14,939
2024	12,800	2,158	14,958
2024-2030	83,100	6,663	89,763
	$132,600	$16,958	$149,558

OPWC:

During 2019, the County entered into a loan with the Ohio Public Works Commission (OPWC) in the amount of $360,430 at zero percent interest for the purpose of resurfacing certain county roads. Principal payments are due January 1 and July 1 of each year through 2029.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2020, are as follows:

Year Ended December 31,	OPWC Loans Principal
2021	$18,021
2022	36,043
2023	36,043
2024	36,043
2025	36,043
2026-2029	162,194
	$324,387

B. <u>Business-Type Activity</u>

In 1997, the County issued General Obligation Bonds through direct placement with Farmers' Home Administration for the Sewer Fund in the amount of $873,000, for improvements to the County's sewer system. The bonds mature in 2037 and will be repaid through user fees. Principal and interest requirements to retire the County's general obligation bonds outstanding at December 31, 2020, are:

Year Ended December 31,	Principal	Interest	Total
2021	$21,500	$26,595	$48,095
2022	23,500	25,628	49,128
2023	24,000	24,570	48,570
2024	22,500	26,542	49,042
2025-2029	150,000	97,617	247,617
2030-2034	196,000	56,892	252,892
2035-2037	153,500	15,695	169,195
Total	$591,000	$273,539	$864,539

The Ohio Public Works Commission related to the 2012 Woodlawn Acres and part of the 1999 Cherry Blossom projects will be repaid using revenue from a special assessment assessed upon property owners, with the remaining being paid from user charges. In the event of default of the property owners, the County would pay the loan using the operating revenues of the sewer district. The 2011 Barlow Vincent Sanitary

System Improvements loan, and the OWDA Loans will be repaid using operating revenues of the sewer district. All of the loans are recorded in the Sewer Enterprise Fund. All of the loans are general obligations except the OWDA Loans.

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

OWDA:

The 2004 Ohio Water Development Authority (OWDA) Sewer Loan relates to a project for engineering design of various Sewer projects. The loan is payable solely from net revenues along with a onetime charge of $1,000 per household to the residents in the Oxbow area. The loan is payable through 2024.

The 2009 Ohio Water Development Authority (OWDA) Riverview Sewer Rehabilitation Loan relates to the rehabilitation of sewer lines in the Riverview Community. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan is payable through 2030.

The 2010 Ohio Water Development Authority (OWDA) Lift Station and Sewer Improvements Loan relates to the rehabilitation of sewer lines for the Oxbow Sanitary Sewer System. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan is payable through 2031.

The 2011 Ohio Water Development Authority (OWDA) Devola Life Station and Sewer Improvements Loan relates to the rehabilitation of sewer lines for the Devola Sanitary Sewer System. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The 2019 Ohio Water Development Authority (OWDA) Terri Lane Pump Station Replacement Loan relates to the replacement of sewer pumps at the Terri Lane Pump Station. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan has not been fully drawn or finalized; therefore no amortization schedule is set.

The 2020 Ohio Water Development Authority (OWDA) Devola Sanitary Sewer Loan relates to the addition of sewer pumps in Devola. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The amount drawn on the loan in 2020 was $506,991, which was repaid by the County in 2020.

The 2020 Ohio Water Development Authority (OWDA) Devola Sanitary Sewer Loan relates to the addition of sewer pumps in Devola. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The amount drawn on the loan in 2020 was $1,062,134. The loan has not been fully drawn or finalized; therefore no amortization schedule is set.

The County's outstanding OWDA loans from direct borrowings contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The County has pledged future customer revenues, net of specified operating expenses, to repay $2,526,996 in OWDA loans issued from 2004 to 2020. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from customer net revenues and are payable through 2032. Net revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. Annual principal and interest payments on the loans are expected to require fifty-nine percent of net revenues in future years. The total principal and interest remaining to be paid on the loans is $1,476,423. Principal and interest payments for the current year were $135,987, net revenues were $231,481, and total revenues were $1,090,483.

The following is a summary of the County's future annual principal and interest requirements to retire the loans, except the Terri Lane Pump Station Replacement and Devola Sanitary Sewer Loans:

Year Ended December 31,	Principal	Interest	Total
2021	$69,375	$17,171	$86,546
2022	141,241	32,017	173,258
2023	144,643	28,837	173,480
2024	148,153	25,563	173,716
2025	131,949	22,560	154,509
2026-2030	699,064	67,951	767,015
2031-2035	265,390	4,655	270,045
2036-2040	73,419	0	73,419
2041-2044	58,737	0	58,737
Total	$1,731,971	$198,754	$1,930,725

C. <u>Debt Margin</u>

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 shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The County's total debt margin was $36,735,580 and the unvoted debt margin was $13,784,214 at December 31, 2020.

NOTE 16 - INTERFUND TRANSFERS AND BALANCES

Interfund balances, as of December 31, 2020, consist of the following individual interfund receivables and payables:

	Interfund Receivable			
Interfund Payable	General	Job and Family Services	Other Nonmajor Governmental	Total
Major Funds:				
General Fund	$0	$5,051	$0	$5,051
Motor Vehicle and Gas Tax	462	0	0	462
Job and Family Services	86,209	0	4,963	91,172
Other Governmental Funds	20,498	124,501	0	144,999
	$107,169	$129,552	$4,963	$241,684

The interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions were recorded in the accounting system, and payments between funds were made.

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

	Transfer In			
Transfer Out	Motor Vehicle and Gasoline Tax	Job and Family Services	Other Nonmajor Governmental	Total
General Fund	$0	$169,851	$1,480,963	$1,650,814
Other Nonmajor Governmental Funds	618,158	0	0	618,158
Total All Funds	$618,158	$169,851	$1,480,963	$2,268,972

Transfers were used to move revenues from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 17 - SIGNIFICANT COMMITMENTS

A. Contractual Commitments

As of December 31, 2020, the County had a contractual purchase commitment as follows:

Project	Purchase Commitment	Amount Paid as of 12/31/2020	Amount Remaining on Contract
Sewer Fund			
Devola Sewer Improvements	$2,483,479	$1,330,821	$1,152,658
Terri Lane Pump Station	195,273	195,273	0
Total Sewer Fund	$2,678,752	$1,526,094	$1,152,658

B. Encumbrances

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:

Governmental Funds:	
General	$947,505
Motor Vehicle and Gasoline Tax	1,900,861
Board of Developmental Disabilities	297,169
Job snd Family Services	2,370
Nonmajor Governmental Funds	1,521,756
Total	$4,669,661

NOTE 18 - FINANCIAL GUARANTEE

In April 2014, Washington County guaranteed one year of debt payments equal to $55,291.79 of the Southeastern Ohio Port Authority's Rural Industrial Park Loan of $484,970. The guarantee will remain in effect until the debt is paid in full. The Southeastern Ohio Port Authority is a discretely presented component unit of the County. The County assumes the responsibility to provide financial support to the Authority and has guaranteed the debt of the Authority. The Rural Industrial Park Loan was issued for the completion of the Ingenuity Center located at 300 Commerce Drive in Marietta, Ohio. The Center was built to bring job opportunities to the area by offering manufacturing, distribution, and office space for lease. Under the agreement, principal and interest payments are not required until September 1, 2019, unless the Center is leased. In the event that the Authority cannot lease the Center in order to make the loan payments, the County will be responsible for one year of payments. The County entered into an agreement with the Authority to receive reimbursements for any payments that may be made. The Loan is secured by the Center's mortgage. If the Authority cannot make the loan payments and a sale of the property takes place, the County will be reimbursed for the payments made with proceeds received in excess of the balance owed by the Authority. It was determined that it was not likely the County would be required to pay the loan payments and, therefore, no liability was recognized in the statements. On April 12, 2016, the Center was leased and the Authority began receiving rent.

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

A. Buckeye Hills Regional Council

The Buckeye Hills Regional 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 is composed of one County Commissioner from each county, one member from the County of Athens Council, one member from the County of Marietta Council, four at-large members appointed from the ten government members, and one member from the minority sector. The board has total control over budgeting, personnel, and all other financial matters. The Council administers County Community Development Block Grant and Transportation Improvement Program monies. During 2020, the Council received $35,927 in administrative fees from Washington County. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

B. Southeastern Ohio Joint Solid Waste Management District

The County is a member of the Southeastern Ohio Joint Solid Waste Management District which consists of Washington, Guernsey, Monroe, Morgan, Muskingum, and Noble Counties. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capaCounty for the District. The District was created in 1989 as required by the Ohio Revised Code.

The Southeastern Ohio Joint Solid Waste Management District is governed and operated through three groups. An eighteen-member board of directors, composed of the three Commissioners from each County, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue 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 contributions were received from the County in 2020. No future contributions by the County are anticipated. A thirty-one member policy committee composed of five members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

C. Washington-Morgan Community Action Corporation

The Community Action Corporation of Washington-Morgan Counties is operated as a non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program, the Community Action Bus Line (CABL), the Child Development Program, the Senior Nutrition Program, Women, Infants and Childrens' Supplemental Nutrition Program, the Home Weatherization Assistance and Energy Program, the Workforce Innovation and Opportunity Act Program, Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program, and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member council. The council is composed of the Mayor of the County of Marietta, the Mayor of the County of Belpre, the Washington County Recorder, one Barlow Township Trustee, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan Counties selected by outreach workers. Currently, the Corporation, by contract with the County of Marietta and Washington and Morgan Counties, provides administrative services to these governments in specific programs. The continued existence of the Corporation is not dependent on the County's continued participation and no equity interest exists.

D. Washington County Family and Children First Council

The Washington County Family and Children First Council provide services to multi-need youth in Washington County. Members of the Council include the Washington County Health Department, the Regional Office of Youth Services, the Washington County Juvenile Court, the Washington County Mental Health Board, Washington County Children Services, the General Health District, a representative from the County of Marietta Health Department, and a representative of the Washington County School Districts. The operation of the Council is controlled by an advisory committee which consists of a representative from each agency. In 2020, the County contributed $300,569.

E. Wood, Washington, and Wirt Planning Commission

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and County governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives and one Washington County Commissioner serves on the Commission. Revenues are derived from Federal Highway and Federal

Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. In 2020, the County contributed $5,940 to the Commission. The continued existence of the Commission is not dependent on the County's continued participation and no equity interest exists.

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

RC&D is a 501 (c) (3) non-profit entity, serving a nine county region in southeastern Ohio including 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. During 2020, the Council did not receive administrative fees from Washington County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

G. Mid-East Ohio Regional Council (MEORC)

The Mid-East Ohio Regional Council is a council of governments created pursuant to Ohio Revised Code Chapter 167. Participating counties include Belmont, Carroll, Coshocton, Fairfield, Guernsey, Harrison, Hocking, Holmes, Jefferson, Knox, Licking, Monroe, Morgan, Muskingum, Noble, Perry, Tuscarawas, and Washington Counties. MEORC was created to provide the best possible services to persons with developmental disabilities in their respective counties. Each county has representation on the MEORC board. Member counties have a contract between its county BDD board and the MEORC for MEORC to provide supported living services or housing to eligible persons in the member counties. To obtain financial information, write to the Mid-East Ohio Regional Council, Cathy Henthorn, who serves as Director of Financial Operations, 1 Avalon Road, Mt. Vernon, Ohio 43050.

H. Ohio Valley Employment Resource (OVER)

The Ohio Valley Employment Resource (OVER) is a jointly governed organization whereby the three county commissioners from Monroe, Morgan, Noble, and Washington Counties serve on the governing board. OVER was formed for the purpose of creating and providing employment and training programs in response to local need, a part of which is implementation of the Workforce Innovation and Opportunity Act, P.L. 113-128. The continued existence of OVER is not dependent upon the County's continued participation and no equity interest or debt exists.

I. Regional Child Abuse Prevention Council

The Regional Child Abuse Prevention Council of the Ohio Children's Trust Fund is a jointly governed organization whereby up to two County Prevention Specialists may be appointed by the Washington County Commissioners to sit on the council. Currently, Washington County has one appointee. The Regional Child Abuse Prevention Council is the state's sole public funding source dedicated to preventing child abuse and neglect. Each regional council is directed by a regional prevention coordinator or coordinating entity and led by county prevention specialists. The continued existence of the Regional Child Abuse Prevention Council is not dependent upon the County's continued participation and no equity interest or debt exists.

Note 20 – ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. Engineers associated with the County's sewer improvement projects estimate these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of $210,000 associated with the County waste water treatment facilities was estimated by the County's contracted engineers. The remaining useful life of these facilities is 40 years.

NOTE 21 - RELATED ORGANIZATION

The Washington County Public Library is statutorily created as a separate and distinct political subdivision of the State governed by a board of trustees consisting of seven members. The Washington County Commissioners appoint three members and the Court of Common Pleas appoints the remaining members. The County made no contributions to the Public Library. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the County for operational subsidies. Although the County does serve as the taxing authority of the Library, this is strictly a ministerial function. Once the board of trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree.

NOTE 22 - INSURANCE PURCHASING POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2020 was $269,470

B. County Employee Benefits Consortium of Ohio, Inc. (CEBCO)

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation, and insurance purchasing pool 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 cost of the consortium.

The business and affairs of the consortium are governed by a board composed of representatives of counties that participate in the program. Two thirds of the directors are County Commissioners of the member Counties and one third are employees of 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.

Upon withdrawal from the Consortium, the County will be responsible for paying the funding rates and assessments, if any, that were applicable during the term of the agreement and shall remain responsible for any assessments made by the board for one or more years of the County's participation in CEBCO.

NOTE 23 - FOOD STAMPS

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

NOTE 24 - CONTINGENT LIABILITIES

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

B. Litigation

Lawsuits are pending against the County. Based upon information provided by the County, any potential liability and effect on the financial statements, if any, is not determinable at this time.

Note 25 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Couny. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 26 - SOUTHEASTERN OHIO PORT AUTHORITY

A. Reporting Entity

The Southeastern Ohio Port Authority, Washington County, (the Authority), was created during 2003 by the Washington County Commissioners pursuant to Sections 4582.202 through 4582.58, inclusive of the Ohio Revised Code, for the purpose of promoting the manufacturing, commerce, distribution, research, and development interests of Southeastern Ohio, including rendering financial and other assistance to such enterprises situated in the region. Other purposes include inducing the location in Southeastern Ohio of other manufacturing, commerce, distribution, and research entities to purchase, subdivide, sell and lease real property in Southeastern Ohio. The Authority also strives to erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Southeastern Ohio.

The Authority's Board of Directors consists of the number of Directors it deems necessary and they are appointed by the Washington County Commissioners. As such, it is considered a discretely presented component unit of Washington County. Currently, eleven Directors serve on the Board.

The Authority's management believes these financial statements present all activities for which the Southeastern Ohio Port Authority is financially accountable.

B. Summary of Significant Accounting Policies

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

Basis of Presentation

The Authority's financial statements consist of government-wide statements, including a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Measurement Focus

The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Revenues - Exchange and Non-exchange Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources consist of pension and OPEB and are reported on the statement of net position.

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

<u>Budgetary Process</u>

The Ohio Revised Code requires that the Authority's Board of Directors prepare an annual budget.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

<u>Cash and Cash Equivalents</u>

Cash assets are maintained in non-interest bearing and interest-bearing checking and money market accounts.

The Authority had no investments during the year or at year end.

Receivables and Payables

Receivables and payables are recorded on the Authority's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and, in the case of receivables, collectability.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. All capital assets are depreciated, except land. Depreciation is computed using the straight-line method over five years of the useful lives for machinery and equipment and over 50 years for buildings.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the employer will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "leave benefits payable", rather than long term liabilities, as the balances are to be used by employees in the year following the year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Authority has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the Authority's termination policy. The Authority records a liability for accumulated, unused sick leave for all employees when they start working per the Authority's employee policy.

Pension/OPEB

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and liabilities used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority does not have restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority. Revenues and expenses not meeting these definitions are reported as non-operating.

Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and that are either unusual in nature or infrequent in occurrence. The Authority did not have any extraordinary or special items in 2020.

C. Deposits and Investments

State statutes classify monies held by the Port Authority into three categories.

1. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Port Authority Treasury, in commercial accounts payable or that can be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Protection of the Port Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC).

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

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;

6. The State Treasurer's investment pool (STAROhio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) 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.

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

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $260,485 of the Authority's total bank balances of $431,516 were covered by the FDIC. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Authority to a successful claim by the FDIC.

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

> Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

Two of the Authority's four financial institutions have joined OPCS. As of December 31, 2020, the remaining two financial institutions still maintained their own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

D. Receivables

Receivables at December 31, 2020, consisted of an accounts receivable in the amounts of $72,562 arising from the reimbursement of the 2020 Real Estate Taxes and the service fee for the Marietta College 2020 Project. All receivables are considered collectible in full.

E. Capital Assets

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

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020
Non-Depreciable Capital Assets:				
Land	$124,950	$0	$0	$124,950
Construction in Progress	0	30,470	0	30,470
Total Non-Depreciable Capital Assets	124,950	30,470	0	155,420
Depreciable Capital Assets:				
Buildings	2,155,962	0	0	2,155,962
Machinery and Equipment	22,858	0	(13,988)	8,870
Total Depreciable Capital Assets	2,178,820	0	(13,988)	2,164,832
Accumulated Depreciation:				
Buildings	(246,138)	(43,119)	0	(289,257)
Machinery and Equipment	(16,041)	(83)	13,988	(2,136)
Total Accumulated Depreciation	(262,179)	(43,202)	13,988	(291,393)
Total Depreciable Capital Assets, Net	1,916,641	(43,202)	0	1,873,439
Capital Assets, Net	$2,041,591	($12,732)	$0	$2,028,859

F. Risk Management

The Authority 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. The Authority contracts with Peoples Insurance Agency who, on behalf of the Authority, negotiates property and casualty insurance coverage with Cincinnati Insurance Company and CNA Insurance Company for management and professional insurance coverage. The following lists the coverage limits and deductibles:

Property ($500 Deductible):	
Contents	$50,000
Crime ($250 Deductible):	
Employee Dishonesty/Forgery or Alteration	50,000
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	2,000,000
Products-Completed Operations Aggregate Limit	2,000,000
Personal & Advertising Injury Limit	1,000,000
Hired and Non-owned Auto Liability	1,000,000
Fire Damage Limit	100,000
Medical Expense Limit	5,000
Directors & Officers Liability:	
Each Occurrence	1,000,000
Scheduled Retention	2,500/5,000

Bond Coverage for the Secretary/Treasurer is included in Non-Profit Organization and Management Liability Insurance Policy.

There were no significant reductions in coverage from prior years. Settlements have not exceeded coverage in any of the last three years.

The Authority pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

G. <u>Defined Benefit Pension Plan</u>

Net Pension Liability

The net pension asset and liability reported on the statement of net position represents an assets and a liability, respectively, to employees for pensions. Pensions are a component of exchange transactions-– between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension asset and liability represent the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension asset and 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 Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the asset and liability is solely the asset and obligation, respectively, of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's excess funded or unfunded benefits is presented as a long-term net pension asset or liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued payroll taxes on the accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions for the traditional plan for 2020 were $12,018. 100% has been contributed for 2020. Of the amount for 2020, $1,570 is reported as accrued payroll and taxes.

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The net pension asset and liability were measured as of December 31, 2019, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of that date. The Authority's proportions of the net pension asset and liability were based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Pension Plan
Proportionate Share of the Net Pension Liability/(Asset):	$91,713
Proportion of the Net Pension Liability/(Asset)	0.00046400%
Increase/(decrease) in % from prior proportion measurer	-0.00005400%
Pension Expense	$32,315

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

	Traditional Pension Plan
Deferred Outflows of Resources	
Changes in assumptions	$4,899
Changes in proportion and differences	0
Authority's contributions and proportionate share of contributions	12,363
Authority's contributions subsequent to the measurement date	12,018
Total Deferred Outflows of Resources	$29,280
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$18,295
Differences between expected and actual experience	1,160
Changes in proportion and differences Authority's contributions and proportionate share of contributions	7,114
Total Deferred Inflows of Resources	$26,569

$12,018 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	Traditional Pension Plan
2021	($5,648)
2022	8,446
2023	(757)
2024	7,266
Total	$9,307

Actuarial Assumptions - OPERS

OPERS' total pension asset and liability were determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2019, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 1.40% Simple through 2020, then 2.15% Simple

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

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

The long-term 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.

During 2019 OPERS manage 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. Within the defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first on 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% 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 table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

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% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

Employer's Net Pension Liability	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$151,264	$91,713	$38,178

H. Postemployment Benefits

Net OPEB Liability

OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB liability represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

The Authority's employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2019, OPERS allocated 0.0% of employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportionate Share of the Net OPEB Liability/(Asset):	$91,992
Proportion of the Net Pension Liability/(Asset)	0.00066600%
Increase/(decrease) in % from prior proportion measurer	-0.00008700%
Pension Expense	$14,241

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

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	$14,561
Differences between expected and actual experience	2
Changes in proportion and differences between government contributions and proportionate share of contributions	7,132
Total Deferred Outflows of Resources	$21,695
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$4,684
Differences between expected and actual experience	8,413
Changes in proportion and differences between government conribútions and proportionate share of contributions	6,584
Total Deferred Inflows of Resources	$19,681

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

	OPERS
Year Ending December 31:	
2021	$5,383
2022	(1,368)
2023	5
2024	(2,006)
Total	$2,014

Actuarial Assumptions - OPERS

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:

Key Methods and Assumptions Used in Valution of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2018
Rolled-Forward Measurement Date	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Indiviual entry age
Actuarial Assumptions:	
Single Discount Rate	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.75%
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.50% initial, 3.50% ultimate in 2030

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.

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed 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 the year 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.

The following table presents the OPEB liability calculated using the single discount rate of 3.16%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	$120,386	$91,992	$69,257

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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%. 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% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$89,277	$91,992	$94,672

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return.

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

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.

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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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% for 2019.

I. *Other Employer Benefits*

Compensated Absences

Each employee accrues 4.6 hours of sick time for each two-week pay period worked. Accrual continues during periods of approved paid leave. Unused sick leave is cumulative without limit. Upon retirement or separation of employment, employees are paid up to a maximum of 240 hours.

Unused vacation time and compensatory time are paid to a terminated employee at their rate of pay at the time of retirement as well up to 80 hours.

J. Long-Term Obligations and Other Obligations

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

	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amounts Due within One Year
Rural Industrial Development Loan - 3%	$352,038	$0	$15,817	$336,221	$32,374
Net Pension Liability - OPERS	141,871	0	50,158	91,713	0
Net OPEB Liability - OPERS	98,173	0	6,181	91,992	0
Sick Leave Payable	12,384	7,173	12,068	7,489	5,612
Total Long-Term Oblligations	$604,466	$7,173	$84,224	$527,415	$37,986

On April 1, 2014, the Authority received a $484,970 Rural Industrial Park Loan from the Ohio Department of Development for completion of the Ingenuity Center located at 300 Commerce Drive in Marietta, Ohio. Only $458,719 was needed and received. Under the agreement, principal and interest payments were not required until September 1, 2019, unless the Center was rented before that date. During 2016, the Center started collecting rent and a new amortization schedule was created. As of December 30, 2020, principal and interest payments required to retire the debt are as follows:

Year	Principal	Interest
2021	$32,374	$9,644
2022	33,360	8,638
2023	34,352	7,646
2024	35,397	6,601
2025	36,496	5,503
2026-2030	164,242	10,733
	$336,221	$48,765

Conduit Debt

Pursuant to State statue, the Authority has issued revenue bonds, hospital revenue bonds, and obtained an Ohio Water Development Authority (OWDA) loan to provide financial assistance to private sector entities for new construction or improvements. The Authority, the State, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

During 2012, the Authority obtained Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2012. These bonds mature in various annual amounts through 2042, interest is due semiannually at rates ranging from 3% to 6%. As of December 31, 2020, the aggregate principal amount payable could not be determined, however, the original amounts issued totaled $145,675,000.

The Authority entered into a private/public partnership with Eramet Marietta, LLC, Americas Styrenics, Solvay Advanced Polymers, and Energizer for the construction and rent of Good River Distribution, LLC. Good River Distribution, LLC, is a water production facility located across from the aforementioned industries on the banks of the Ohio River. The Good River Distribution, LLC, water production facility provides process water and fire water to the partner industries. Good River Distribution, LLC, is owned by the Authority until such time as the rent is complete.

During 2012, the Authority obtained a State Assistance Revenue Bond, Series 2012 to acquire, install, and construct a water screening, service water supply, and pumping system. The interest rate is 4.375% and the maturity date is June, 2027. As of December 31, 2020, the principal amount payable could not be determined, however, the original issued amount totaled $4,175,000.

During 2012, the Authority obtained a loan from the OWDA for construction, maintenance, and operation of Good River Distribution, LLC. The loan will be repaid solely by rent received from members of Good River Distribution, LLC. The maturity date is January, 2028. As of December 31, 2020, the principal amount payable count not be determined, however, the original issued amount totaled $6,000,000.

During 2015, the Authority and Marietta Area Health Care obtained Hospital Facilities Improvement Bonds. The bonds were issued for the purpose of acquisition, construction, renovation, equipping, and installation of electronic medical records system as well as various improvements to the health care facilities. As of December 31, 2019, the principal amount payable could not be determined, however, the original issued amount totaled $60,000,000.

During 2020, the Authority obtained Series 2020 Bonds for the purpose of 1) retiring a taxable borrowing undertaken by Marietta College (the College) on an interim basis for the purpose of refunding the Ohio Higher Educational Facility Higher Educational Facility Revenue Bonds (Marietta College 2014 Project) dated November 20, 2014 (the "Reissued Bonds"), 2) refunding the Ohio Higher Educational Facility Higher Educational Facility Revenue Bonds (Marietta College 2011 Project) dated November 20, 2014 (the "2014 Refunding Bonds") and 3) refinancing on a permanent basis certain capital expenditures for educational facilities and equipment located on the campus of the College (the "2020 Project"). These bonds mature in various annual amounts through 2035, interest is due annually at rates ranging from 2.20% to 2.99%. As of December 31, 2020, the principal amount payable could not be determined, however, the original issued amount totaled $33,500,000.

K. Subsequent Events

The Authority evaluated subsequent events and transactions that occurred after the date of the statement of financial position up to the date that the financial statements were issued. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Authority's financial position and/or the results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The County reports its roads and bridges infrastructure assets using the modified approach. The following disclosures pertain to the condition assessments and budgeted versus actual expenditures for the preservation of these assets.

County Roads

The Washington County Engineer uses a pavement management system to evaluate the condition of the County's nearly 341 miles of roads considering pavement surface type, condition, traffic factors, maintenance history and professional judgment. All County Roads are rated once every two years, the system rates the condition as follows:

Conditon Category	Condition Index Range	Description of Condition
Failed	<30	Impassable, unsafe, needs major reconstruction
Poor	31-49	Passable, marginally safe, needs significant maintenance and repair
Fair	50-67	Average, functions as designed, needs routine maintenance and repair
Good	68-81	Safe and very suitable for its purpose, needs preventative maintenance
Very Good	82-91	Like new, no repair needed
Excellent	>92	New, no repair needed

It is the goal of the Washington County Engineer that 90% of the County roads are rated at fair or better condition.

Bridges

Bridges are evaluated annually as required by law and following the Ohio Department of Transportation inspection and inventory guidelines. Bridges are rated by a general appraisal as follows:

Bridge General Appraisal Rating	Description of Condition
9	Excellent, new or like new
8	Very good, no problems
7	Good, minor deterioration of structural elements
6	Satisfactory, minor deterioration of structural elements
5	Fair, still functioning as designed, minor section loss to structural elements, non-structural deterioration
4	Poor, needs major repair or manitenance, to continue to function, load reduction may be needed.
3	Serious, needs major rehabilitation to continue to function, may need load reduction
2	Critical, not functioning as designed, load reduction, replacement needed
1	Closed

It is the goal to maintain the Washington County bridges such that 90% have general appraisals of 5 or higher.

Washington County, Ohio
Required Supplemental Information
Condition Assessment of the County's Infrastructure
Report Using the Modified Approach
December 31, 2020

The following summarized the road and bridge conditions as of December 31, 2020, 2019, and 2018:

Road Condition as of December 31,

	2020		2019		2018	
Condition Category	Percent of Roads	Percent Accumulation	Percent of Roads	Percent Accumulation	Percent of Roads	Percent Accumulation
Excellent	20%	100%	25%	100%	13%	100%
Very Good	12%	80%	7%	75%	32%	87%
Good	34%	68%	49%	68%	34%	55%
Fair	28%	34%	17%	19%	20%	21%
Poor	5%	6%	2%	2%	1%	1%
Failed	0%	0%	0%	0%	0%	0%

95% of the roads were rated in 2020 as fair or better condition, exceeding the goal of 90% rated as fair or better.

General Appraisal	Percent of Bridges	Percent Accumulation	Percent of Bridges	Percent Accumulation	Percent of Bridges	Percent Accumulation
9	3%	3%	2%	2%	2%	2%
8	13%	16%	12%	14%	13%	15%
7	41%	57%	40%	54%	40%	55%
6	26%	83%	31%	85%	30%	85%
5	10%	93%	10%	95%	11%	96%
4	4%	97%	3%	98%	3%	99%
3	2%	99%	1%	99%	1%	100%
2	0%	100%	0%	100%	0%	100%
1	0%	100%	0%	100%	0%	100%

93.7% of the bridges were rated in 2020 as having a general appraisal of 5 or greater, exceeding the stated goal of 90%

Budget versus actual expenditures for roads and bridges maintenance for the last five years is as follows:

Total Road and Bridge Maintenance Expense	Budgeted	Actual	Difference
2020	$4,843,745	$4,120,506	$723,239
2019	4,617,351	4,145,694	471,657
2018	5,217,762	4,582,299	635,463
2017	4,976,009	4,140,971	835,038
2016	4,801,489	3,851,899	949,590

Washington County, Ohio

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System - Traditional Plan

Last Seven Years (1)

	2020	2019	2018	2017
County's Proportion of the Net Pension Liability	0.13617504%	0.14018112%	0.14095770%	0.15003445%
County's Proportionate Share of the Net Pension Liability	$26,915,920	$38,392,766	$22,113,531	$34,070,272
County's Covered Payroll	$18,451,161	$17,878,693	$18,117,319	$18,830,509
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	145.88%	214.74%	122.06%	180.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information
See accountant's compilation report

2016	2015	2014
0.15129960%	0.15354432%	0.15129960%
$26,206,999	$18,519,161	$18,100,875
$15,763,276	$18,087,866	$17,734,513
166.25%	102.38%	102.07%
81.08%	86.45%	86.36%

See accountant's compilation report

Washington County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
Last Three Years (1)

	2020	2019	2018
County's Proportion of the Net Pension Asset	0.13179360%	0.13377120%	0.12306480%
County's Proportionate Share of the Net Pension Asset	$274,821	$149,586	$167,529
County's Covered Payroll	$586,686	$560,221	$509,377
County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.84%	26.70%	32.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information
See accountant's compilation report

This page intentionally left blank

Washington County, Ohio

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

Last Eight Fiscal Years (1)

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
County's Proportion of the Net Pension Liability	0.00472633%	0.00537580%	0.00545511%	0.00599314%
County's Proportionate Share of the Net Pension Liability	$1,143,605	$1,188,826	$1,199,456	$1,423,684
County's Covered Payroll	$570,393	$631,143	$620,157	$658,871
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	200.49%	188.36%	193.41%	216.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%	75.30%

(1) Although this schedule is intended to reflect information for ten fiscal years, information prior to 2013 is not available. An additional column will be added each fiscal year.

Amounts presented for each fiscal year were determined as of June 30th.

See accompanying notes to the required supplementary information
See accountant's compilation report

Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
0.00693104%	0.00749110%	0.00656247%	0.00749110%
$2,320,028	$2,070,321	$1,596,220	$1,901,407
$729,279	$781,571	$722,077	$669,146
318.13%	264.89%	221.06%	284.15%
66.80%	72.10%	74.70%	69.30%

See accountant's compilation report

Washington County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Four Years (1)

	2020	2019	2018	2017
County's Proportion of the Net OPEB Liability	0.13458720%	0.13867872%	0.13837740%	0.14695550%
County's Proportionate Share of the Net OPEB Liability	$18,589,991	$18,080,432	$15,026,766	$14,843,004
County's Covered Payroll	$19,635,422	$19,030,489	$19,137,321	$19,822,217
County's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	94.68%	95.01%	78.52%	74.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information
See accountant's compilation report

Washington County, Ohio

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Four Fiscal Years (1)

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
County's Proportion of the Net OPEB Liability (Asset)	0.00472633%	0.00537580%	0.00545511%	0.00599314%
County's Proportionate Share of the Net OPEB Liability (Asset)	($83,065)	($89,036)	($87,658)	$233,831
County's Covered Payroll	$631,143	$620,157	$658,871	$729,279
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-13.16%	-14.36%	-13.30%	32.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

See accountant's compilation report

Washington County, Ohio
Required Supplementary Information
Schedule of County Contributions
Ohio Public Employees Retirement System
Last Eight Years (1)(3)

	2020	2019	2018	2017
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$2,749,742	$2,680,600	$2,596,416	$2,448,509
Contributions in Relation to the Contractually Required Contribution	(2,749,742)	(2,680,600)	(2,596,416)	(2,448,509)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$18,915,086	$18,451,161	$17,878,693	$18,117,319
Contributions as a Percentage of Covered Payroll	14.54%	14.53%	14.52%	13.51%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	$76,978	$82,136	$78,431	$66,219
Contributions in Relation to the Contractually Required Contribution	(76,978)	(82,136)	(78,431)	(66,219)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$549,843	$586,686	$560,221	$509,377
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	$25,101	$23,903	$22,663	$20,425
Contributions in Relation to the Contractually Required Contribution	(25,101)	(23,903)	(22,663)	(20,425)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$20,092,454	$19,635,422	$19,030,489	$19,137,321
Contributions as a Percentage of Covered Payroll	0.12%	0.12%	0.12%	0.11%
Special Funding Situation - Net Pension Liability				
Contractually Required Contribution	$19,583	$23,927	$24,406	$24,609
Contributions in Relation to the Contractually Required Contribution	(19,583)	(23,927)	(24,406)	(24,609)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Special Funding Situation - Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$1,893
Contributions in Relation to the Contractually Required Contribution	0	0	0	(1,893)
Contribution Deficiency (Excess)	$0	$0	$0	$0

(1) Information prior to 2013 is not available.
(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan
The member directed plan is a defined contribution plan: therefore, the pension side is not included above
(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information
See accountant's compilation report

2016	2015	2014	2013
$2,357,601	$1,974,734	$2,264,070	$2,392,487
(2,357,601)	(1,974,734)	(2,264,070)	(2,392,487)
$0	$0	$0	$0
$18,830,509	$15,763,276	$18,087,866	$17,734,513
12.52%	12.53%	12.52%	13.49%
$58,720	$50,880	$44,334	$41,784
(58,720)	(50,880)	(44,334)	(41,784)
$0	$0	$0	$0
$489,333	$424,000	$369,450	$321,415
12.00%	12.00%	12.00%	13.00%
$20,095			
(20,095)			
$0			
$19,822,217			
0.10%			
$12,736			
(12,736)			
$0			
$2,123			
(2,123)			
$0			

See accountant's compilation report

Washington County, Ohio
Required Supplementary Information
Schedule of County Contributions
State Teachers Retirement System of Ohio
Last Ten Years

	2020	2019	2018	2017
Net Pension Liability				
Contractually Required Contribution	$81,126	$81,378	$91,664	$85,140
Contributions in Relation to the Contractually Required Contribution	(81,126)	(81,378)	(91,664)	(85,140)
Contribution Deficiency (Excess)	$0	$0	$0	$0
County Covered Payroll	$579,471	$581,271	$654,743	$608,143
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information
See accountant's compilation report

2016	2015	2014	2013	2012	2011
$100,079	$105,231	$91,999	$73,975	$76,225	$76,575
(100,079)	(105,231)	(91,999)	(73,975)	(76,225)	(76,575)
$0	$0	$0	$0	$0	$0
$714,850	$751,650	$675,966	$569,038	$586,346	$589,038
14.00%	14.00%	13.61%	13.00%	13.00%	13.00%
$0	$0	$2,874	$5,690	$5,863	$5,890
0	0	(2,874)	(5,690)	(5,863)	(5,890)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.43%	1.00%	1.00%	1.00%
14.00%	14.00%	14.04%	14.00%	14.00%	14.00%

See accountant's compilation report

Changes in Assumptions – OPERS Pension– Traditional Plan

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

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

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

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

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

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

Changes in Assumptions – OPERS Pension – Combined Plan

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions – STRS Pension

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

	2017	2016 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

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

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.0 percent, initial
	3.5 percent, ultimate in 2030
2019	10.0 percent, initial
	3.25 percent, ultimate in 2029
2018	7.5 percent, initial
	3.25 percent, ultimate in 2028

Changes in Assumptions – STRS OPEB

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Changes in Benefit Terms – STRS OPEB

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

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

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