



Dave Yost • Auditor of State

**MEIGS COUNTY
DECEMBER 31, 2017**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Meigs County
100 E. Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio, as of December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Board of Developmental Disabilities Fund, Job and Family Services Fund, and Auto License and Gas Fund thereof, for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental Information

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

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

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

Other Information

We applied no procedures to the Management's Discussion and Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 27, 2018

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of Meigs County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2017, within the limitations of the County's cash basis of accounting. We encourage readers to consider the information presented here in conjunction with 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 2017 are as follows:

Overall:

Total net position increased \$2,674,829 due to governmental activities increasing \$2,626,272 and business-type activities increasing \$48,557.

Total cash receipts were \$24,907,553 in 2017.

Total cash disbursements were \$22,232,724 in 2017.

Governmental Activities:

Total program cash receipts were \$14,300,502 in 2017 while program disbursements were \$21,707,417.

Program cash disbursements were primarily composed of Human Services and Public Works which were \$7,733,183 and \$4,459,572, respectively, in 2017.

All governmental funds had total cash receipts and other financing sources of \$24,826,840 and cash disbursements and other financing uses of \$22,200,568.

Business-Type Activities:

Program cash disbursements were \$525,307 for business-type activities, while program cash receipts were \$507,864. Proceeds from loans amounted to \$64,740 in 2017.

Using this Basic Financial Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The *Statement of Net Position-Cash Basis* and *Statement of Activities-Cash Basis* provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Meigs County, the General Fund, MCBDD, Job and Family Services, and Auto License and Gas Special Revenue Funds are the most significant funds and have been presented as major funds.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which Meigs County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and one other separate legal entity that is presented as a component unit. The primary government consists of Meigs County.

Meigs County, Ohio
Management's Discussion and Analysis
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Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's *net position* and changes in that position. This change in net position is important because it tells the reader whether, for the County as a whole, the *cash basis financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

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

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, other, capital outlay, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment and water programs are reported as business-type activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

The analysis of the County's governmental funds begins on page 9. Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the General Fund, MCBDD, Job and Family Services, and Auto License and Gas Special Revenue Funds.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

Proprietary Funds The County's proprietary funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

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 agency funds. The County's only fiduciary funds are agency funds.

Agency funds are custodial in nature and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The County as a Whole

Recall that the Statement of Net Position – Cash Basis provides the perspective of the County as a whole. Table 1 provides a comparative summary of the County's net position for 2017 as compared to 2016:

Table 1
Net Position/Cash Basis

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
<i>Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$11,106,251 3,737	\$7,984,041 499,675	(\$307,107) -	(\$355,664) -	\$10,799,144 3,737	\$7,628,377 499,675
Total Assets	11,109,988	8,483,716	(307,107)	(355,664)	10,802,881	8,128,052
<i>Net Position</i>						
Restricted	8,213,578	7,612,642	-	-	8,213,578	7,612,642
Unrestricted (Deficit)	2,896,410	871,074	(307,107)	(355,664)	2,589,303	515,410
Total Net Position	\$11,109,988	\$8,483,716	(\$307,107)	(\$355,664)	\$10,802,881	\$8,128,052

The increase in Equity in Pooled Cash and Cash Equivalents from the prior year is due to cash receipts exceeding cash disbursements.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2 shows changes in net position for 2017 as compared to 2016.

Table 2
Changes in Net Position/Cash Basis

	Governmental		Business-Type		Totals	
	2017	2016	2017	2016	2017	2016
<i>Cash Receipts</i>						
<i>Program Cash Receipts</i>						
Charges For Services	\$ 3,863,545	\$ 3,653,046	\$ 419,124	\$ 362,161	\$ 4,282,669	\$ 4,015,207
Operating Grants and Contributions	9,909,180	10,267,745	-	-	9,909,180	10,267,745
Capital Grants and Contributions	527,777	497,108	88,740	25,008	616,517	522,116
Total Program Cash Receipts	14,300,502	14,417,899	507,864	387,169	14,808,366	14,805,068
<i>General Cash Receipts</i>						
Property Taxes	3,439,091	3,205,589	-	-	3,439,091	3,205,589
Sales Taxes	2,656,074	2,705,704	-	-	2,656,074	2,705,704
Grants and Entitlements not						
Restricted to Specific Programs	3,002,474	984,493	-	-	3,002,474	984,493
Interest Receipts	38,278	35,721	-	-	38,278	35,721
Proceeds from Loans	-	382,575	64,740	20,000	64,740	402,575
Miscellaneous	897,270	820,709	1,260	-	898,530	820,709
Total General Cash Receipts	10,033,187	8,134,791	66,000	20,000	10,099,187	8,154,791
Total Cash Receipts	24,333,689	22,552,690	573,864	407,169	24,907,553	22,959,859
<i>Cash Disbursements</i>						
<i>Program Cash Disbursements</i>						
<i>General Government</i>						
Legislative and Executive	2,672,458	2,872,098	-	-	2,672,458	2,872,098
Judicial	1,265,718	1,142,211	-	-	1,265,718	1,142,211
Public Safety	2,487,931	2,300,787	-	-	2,487,931	2,300,787
Public Works	4,459,572	4,221,918	-	-	4,459,572	4,221,918
Health	2,030,617	1,972,742	-	-	2,030,617	1,972,742
Human Services	7,733,183	7,478,866	-	-	7,733,183	7,478,866
<i>Community and Economic</i>						
Development	162,929	168,879	-	-	162,929	168,879
Other	542,524	556,019	-	-	542,524	556,019
Capital Outlay	268,009	821,608	-	-	268,009	821,608
<i>Debt Service:</i>						
Principal Retirement	58,757	25,078	-	-	58,757	25,078
Interest and Fiscal Charges	25,719	24,734	-	-	25,719	24,734
Sewer	-	-	393,941	317,691	393,941	317,691
Water	-	-	131,366	138,311	131,366	138,311
Total Cash Disbursements	21,707,417	21,584,940	525,307	456,002	22,232,724	22,040,942
Transfers In (Out)	-	(2,921)	-	2,921	-	-
Change In Net Position	2,626,272	964,829	48,557	(45,912)	2,674,829	918,917
<i>Net Position at Beginning of Year</i>	8,483,716	7,518,887	(355,664)	(309,752)	8,128,052	7,209,135
Net Position at End of Year	\$ 11,109,988	\$ 8,483,716	\$ (307,107)	\$ (355,664)	\$ 10,802,881	\$ 8,128,052

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities

Grants and entitlements not restricted to specific programs increased due to the Medicaid Sales Tax Fund receipt in 2017. Capital Grants and Contributions increased due to an increase in Ohio Public Works Commission grants for road projects.

Public Works increased as a result of increased grant revenue from the Ohio Public Works Commission for projects throughout the County. The decrease in capital outlay was due to Med Flight Building and Animal Shelter Building being built in 2016. The increase in Public Safety is due to increased disbursements in the sheriff's department. The increase in Human Services is due to increased costs in the MCBDD program.

Property taxes made up 14 percent of cash receipts for governmental activities for Meigs County in 2017. Operating grants and contributions made up 41 percent, capital grants and contributions made up 2 percent, charges for services and sales made up 16 percent, and sales taxes made up 11 percent of cash receipts for governmental activities for the County.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts, unrestricted State entitlements, and other general receipts for governmental activities. The County's tax receipts and other general receipts provided 41 percent of total cash receipts. Charges for services and operating and capital grants and contributions provided the other 59 percent of the receipts used to support the County's governmental activities. The taxpayers (through sales and property taxes) and the State of Ohio, as a whole, provide the vast majority of resources for Meigs County. Table 3 on the following page shows the total and net cost of services (on a cash basis) for the County.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 3
 Total Cost of Program Services

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Governmental Activities				
General Government				
Legislative and Executive	\$ 2,672,458	\$ 2,060,711	\$ 2,872,098	\$ 2,249,747
Judicial	1,265,718	796,561	1,142,211	757,721
Public Safety	2,487,931	1,691,816	2,300,787	1,358,859
Public Works	4,459,572	235,346	4,221,918	60,191
Health	2,030,617	440,981	1,972,742	65,351
Human Services	7,733,183	1,402,106	7,478,866	1,398,581
Community and Economic Development	162,929	26,029	168,879	28,168
Other	542,524	454,299	556,019	484,503
Capital Outlay	268,009	229,735	821,608	719,667
Debt Service				
Principal Retirement	58,757	58,757	25,078	25,078
Interest and Fiscal Charges	25,719	10,574	24,734	19,175
Total Cash Disbursements - Governmental Activities	<u>\$ 21,707,417</u>	<u>\$ 7,406,915</u>	<u>\$ 21,584,940</u>	<u>\$ 7,167,041</u>
Business-Type Activities				
Water and Sewer	<u>\$ 525,307</u>	<u>\$ 17,443</u>	<u>\$ 456,002</u>	<u>\$ 68,833</u>
Total Cash Disbursements - Business-Type Activities	<u>\$ 525,307</u>	<u>\$ 17,443</u>	<u>\$ 456,002</u>	<u>\$ 68,833</u>

Business-Type Activities

Business-type activities include wastewater treatment and water services. Program cash disbursements were due to contracted services and payroll expenses related to the Rutland Sewer and Water System. Program receipts were due to sewer and water receipts for services during 2017. The increase in net position is due to total cash receipts exceeding program cash disbursements.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The County's Funds

Information about the County's governmental funds starts on page 13. These funds are accounted for using the cash basis of accounting. The General Fund cash balance went from \$979,630 in 2016 to \$2,965,076 in 2017 primarily due to an increase in overall receipts. One of the primary reasons for the increase was due to a one time receipt of \$1,752,093 from the state of Ohio to aid counties as a result of repealing the sales tax on Medicaid Managed Care Organizations. The Job and Family Services Fund cash balance went from \$339,956 in 2016 to \$387,435 in 2017. The Auto License and Gas Fund cash balance increased \$324,229 as a result of increased intergovernmental revenue and a decrease in disbursements. The MCBDD Fund increased \$30,607 due to receipts exceeding disbursements. These factors along with increases in the other funds resulted in total governmental fund cash balances increasing \$2,626,272.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. For the General Fund, final budget basis receipts were \$5,432,380, which was \$26,894 below original budget estimates of \$5,459,274. This difference is due mainly to an decrease in charges for services and other revenue. Actual receipts and other financing sources exceeded final budgeted estimates in the amount of \$667,852. Of this difference, \$454,208, \$58,928, \$60,470, and \$76,664 represent tax receipts, charges for services, other, and transfers in received in excess of final budgeted estimates, which were the most significant variances. Final budgeted disbursements for public safety increased over original estimates in the amount of \$422,977 due to an increase in salaries and benefits of the sheriff's department. Actual disbursements and other financing uses were below final budgeted estimates in the amount of \$182,099. This difference was primarily due to legislative and executive, judicial and public safety disbursements. Total actual cash receipts and other financing sources were \$24,782 more than disbursements and other financing uses on the budget basis (cash outlays plus encumbrances).

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but does record payments for capital assets as disbursements. The County had capital outlay disbursements of \$268,009 and \$64,740 during 2017 for governmental activities and business-type activities, respectively.

Debt

Under the cash basis of accounting the County does not report bonds or long-term loans in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds and long-term loans. At December 31, 2017, the County had \$730,732 and \$468,394 in long-term loans outstanding for governmental and business-type activities respectively.

Table 4 summarizes bonds and other long-term obligations outstanding for Governmental and Business-Type Activities:

	Table 4		Outstanding Debt at December 31	
			Governmental Activities	
			2017	2016
Loans			\$ 730,732	\$ 751,607
Totals			\$ 730,732	\$ 751,607
			Business-Type Activities	
Loans			\$ 9,750	\$ 11,700
OWDA Loans			458,644	473,689
Total Business-Type Activities			\$ 468,394	\$ 485,389

For additional information regarding the debt, please see Note 9 to the basic financial statements.

Meigs County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property taxes, sales tax and intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mary Byer-Hill, County Auditor at Meigs County, 100 East Second Street, Pomeroy, Ohio 45769, or email at meigsauditor@suddenlinkmail.com.

Meigs County
Statement of Net Position - Cash Basis
As of December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 11,106,251	\$ (307,107)	\$ 10,799,144
Cash and Cash Equivalents in Segregated Accounts	3,737	-	3,737
<i>Total Assets</i>	<u>11,109,988</u>	<u>(307,107)</u>	<u>10,802,881</u>
NET POSITION:			
Restricted for Debt Service	27,862	-	27,862
Restricted for Capital Outlay	55,111	-	55,111
Restricted for MCBDD	1,383,750	-	1,383,750
Restricted for Job and Family Services	387,435	-	387,435
Restricted for Real Estate Assessment	775,507	-	775,507
Restricted for Auto License and Gas	1,372,894	-	1,372,894
Restricted for Children Services	342,723	-	342,723
Restricted for Child Support Enforcement	390,720	-	390,720
Restricted for Community Residential	318,949	-	318,949
Restricted for Emergency Medical Services	817,586	-	817,586
Restricted for County Court Legal Computerization	186,771	-	186,771
Restricted for Reclaim Subsidy	282,143	-	282,143
Restricted for Other Purposes	1,872,127	-	1,872,127
Unrestricted (Deficit)	<u>2,896,410</u>	<u>(307,107)</u>	<u>2,589,303</u>
<i>Total Net Position</i>	<u>\$ 11,109,988</u>	<u>\$ (307,107)</u>	<u>\$ 10,802,881</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government:							
Legislative and Executive	\$ 2,672,458	\$ 438,811	\$ 172,936	\$ -	\$ (2,060,711)	\$ -	\$ (2,060,711)
Judicial	1,265,718	212,096	257,061	-	(796,561)	-	(796,561)
Public Safety	2,487,931	521,067	275,048	-	(1,691,816)	-	(1,691,816)
Public Works	4,459,572	795,905	2,900,544	527,777	(235,346)	-	(235,346)
Health	2,030,617	360,182	1,229,454	-	(440,981)	-	(440,981)
Human Services	7,733,183	1,378,275	4,952,802	-	(1,402,106)	-	(1,402,106)
Community and Economic Development	162,929	29,122	107,778	-	(26,029)	-	(26,029)
Other	542,524	88,225	-	-	(454,299)	-	(454,299)
Capital Outlay	268,009	38,274	-	-	(229,735)	-	(229,735)
Debt Service:							
Principal Retirement	58,757	-	-	-	(58,757)	-	(58,757)
Interest and Fiscal Charges	25,719	1,588	13,557	-	(10,574)	-	(10,574)
Total Governmental Activities	21,707,417	3,863,545	9,909,180	527,777	(7,406,915)	-	(7,406,915)
Business-Type Activities:							
Rutland Sewer	393,941	276,629	-	88,740	-	(28,572)	(28,572)
Rutland Water	131,366	142,495	-	-	-	11,129	11,129
Total Business-Type Activities	525,307	419,124	-	88,740	-	(17,443)	(17,443)
Totals	\$ 22,232,724	\$ 4,282,669	\$ 9,909,180	\$ 616,517			
General Cash Receipts:							
Property Taxes Levied for:							
General Purposes							
					1,486,695	-	1,486,695
					1,250,062	-	1,250,062
					702,334	-	702,334
Sales Taxes Levied for General Purposes							
					2,656,074	-	2,656,074
Grants and Entitlements Not							
Restricted to Specific Programs							
					3,002,474	-	3,002,474
					897,270	1,260	898,530
					38,278	-	38,278
					-	64,740	64,740
Total General Cash Receipts					10,033,187	66,000	10,099,187
Change in Net Position					2,626,272	48,557	2,674,829
Net Position Beginning of Year					8,483,716	(355,664)	8,128,052
Net Position End of Year					\$ 11,109,988	\$ (307,107)	\$ 10,802,881

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Assets and Fund Balances and Receipts,
Disbursements, and Changes in Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2017*

	General	MCBDD	Job and Family Services	Auto License and Gas	All Other Governmental Funds	Total Governmental Funds
RECEIPTS:						
Taxes	\$ 4,142,769	\$ 1,250,062	\$ -	\$ -	\$ 702,334	\$ 6,095,165
Charges for Services	963,092	-	419,167	-	2,338,758	3,721,017
Licenses and Permits	1,669	-	-	-	14,789	16,458
Fines and Forfeitures	103,742	-	-	11,347	10,981	126,070
Intergovernmental	2,575,845	969,486	3,427,917	3,938,002	2,778,718	13,689,968
Interest	27,971	-	-	10,307	-	38,278
Other	296,755	73,758	70,263	23,451	182,506	646,733
<i>Total Receipts</i>	<u>8,111,843</u>	<u>2,293,306</u>	<u>3,917,347</u>	<u>3,983,107</u>	<u>6,028,086</u>	<u>24,333,689</u>
DISBURSEMENTS:						
Current:						
General Government:						
Legislative and Executive	2,411,029	-	-	-	261,429	2,672,458
Judicial	877,116	-	-	-	388,602	1,265,718
Public Safety	1,609,114	-	-	-	878,817	2,487,931
Public Works	74,794	-	-	3,658,878	725,900	4,459,572
Health	172,041	-	-	-	1,858,576	2,030,617
Human Services	245,989	2,116,699	3,936,763	-	1,433,732	7,733,183
Community and Economic Development	-	-	-	-	162,929	162,929
Other	542,524	-	-	-	-	542,524
Capital Outlay	-	-	-	-	268,009	268,009
Debt Service:						
Principal Retirement	-	-	-	-	58,757	58,757
Interest and Fiscal Charges	-	-	-	-	25,719	25,719
<i>Total Disbursements</i>	<u>5,932,607</u>	<u>2,116,699</u>	<u>3,936,763</u>	<u>3,658,878</u>	<u>6,062,470</u>	<u>21,707,417</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>2,179,236</u>	<u>176,607</u>	<u>(19,416)</u>	<u>324,229</u>	<u>(34,384)</u>	<u>2,626,272</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	66,895	-	324,582	391,477
Advances In	76,664	-	-	-	25,010	101,674
Transfers Out	(245,444)	(146,000)	-	-	(33)	(391,477)
Advances Out	(25,010)	-	-	-	(76,664)	(101,674)
<i>Total Other Financing Sources (Uses)</i>	<u>(193,790)</u>	<u>(146,000)</u>	<u>66,895</u>	<u>-</u>	<u>272,895</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,985,446	30,607	47,479	324,229	238,511	2,626,272
<i>Fund Balances at Beginning of Year</i>	<u>979,630</u>	<u>1,353,143</u>	<u>339,956</u>	<u>1,048,665</u>	<u>4,762,322</u>	<u>8,483,716</u>
<i>Fund Balances at End of Year</i>	<u>\$ 2,965,076</u>	<u>\$ 1,383,750</u>	<u>\$ 387,435</u>	<u>\$ 1,372,894</u>	<u>\$ 5,000,833</u>	<u>\$ 11,109,988</u>
Assets at End of Year						
Equity in Pooled Cash and Cash Equivalents	\$ 2,965,076	\$ 1,383,750	\$ 387,435	\$ 1,372,894	\$ 4,997,096	\$ 11,106,251
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-	3,737	3,737
<i>Total Assets</i>	<u>\$ 2,965,076</u>	<u>\$ 1,383,750</u>	<u>\$ 387,435</u>	<u>\$ 1,372,894</u>	<u>\$ 5,000,833</u>	<u>\$ 11,109,988</u>
FUND BALANCES AT END OF YEAR:						
Nonspendable	\$ 170,495	\$ -	\$ -	\$ -	\$ -	\$ 170,495
Restricted	-	1,383,750	387,435	1,372,894	5,069,499	8,213,578
Committed	1,752,093	-	-	-	-	1,752,093
Assigned	279,040	-	-	-	-	279,040
Unassigned (Deficit)	763,448	-	-	-	(68,666)	694,782
<i>Total Fund Balances</i>	<u>\$ 2,965,076</u>	<u>\$ 1,383,750</u>	<u>\$ 387,435</u>	<u>\$ 1,372,894</u>	<u>\$ 5,000,833</u>	<u>\$ 11,109,988</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2017*

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 3,690,000	\$ 3,688,561	\$ 4,142,769	\$ 454,208
Charges for Services	736,784	722,462	781,390	58,928
Licenses and Permits	1,200	785	1,669	884
Fines and Forfeitures	90,025	90,015	103,742	13,727
Intergovernmental	825,651	823,752	823,752	-
Interest	25,000	25,000	27,971	2,971
Other	90,614	81,805	142,275	60,470
<i>Total Receipts</i>	<u>5,459,274</u>	<u>5,432,380</u>	<u>6,023,568</u>	<u>591,188</u>
DISBURSEMENTS:				
General Government:				
Legislative and Executive	2,199,350	2,339,256	2,414,295	(75,039)
Judicial	826,237	705,208	725,411	(20,203)
Public Safety	1,145,558	1,568,535	1,609,114	(40,579)
Public Works	90,000	72,908	74,794	(1,886)
Health	165,381	167,702	172,041	(4,339)
Human Services	230,328	239,786	266,817	(27,031)
Conservation and Recreation	0			-
Other	542,524	528,843	542,524	(13,681)
<i>Total Disbursements</i>	<u>5,199,378</u>	<u>5,622,238</u>	<u>5,804,996</u>	<u>(182,758)</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>259,896</u>	<u>(189,858)</u>	<u>218,572</u>	<u>408,430</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	(170,475)	(246,103)	(245,444)	659
Advances In	-	-	76,664	76,664
Advances Out	(62,080)	(25,010)	(25,010)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(232,555)</u>	<u>(271,113)</u>	<u>(193,790)</u>	<u>77,323</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	27,341	(460,971)	24,782	485,753
<i>Fund Balance at Beginning of Year</i>	682,250	682,250	682,250	-
<i>Prior Year Encumbrances Appropriated</i>	<u>55,415</u>	<u>55,415</u>	<u>55,415</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 765,006</u>	<u>\$ 276,694</u>	<u>\$ 762,447</u>	<u>\$ 485,753</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2017*

	MCBDD Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Taxes	\$ 997,000	\$ 997,000	\$ 1,250,062	\$ 253,062
Intergovernmental	841,000	834,637	969,486	134,849
Other	19,000	19,000	73,758	54,758
<i>Total Receipts</i>	<u>1,857,000</u>	<u>1,850,637</u>	<u>2,293,306</u>	<u>442,669</u>
DISBURSEMENTS:				
Human Services	2,065,000	2,065,000	2,116,699	(51,699)
<i>Total Disbursements</i>	<u>2,065,000</u>	<u>2,065,000</u>	<u>2,116,699</u>	<u>(51,699)</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(208,000)</u>	<u>(214,363)</u>	<u>176,607</u>	<u>390,970</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(146,000)	(146,000)	(146,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(146,000)</u>	<u>(146,000)</u>	<u>(146,000)</u>	<u>-</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	<u>(354,000)</u>	<u>(360,363)</u>	<u>30,607</u>	<u>390,970</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,353,143</u>	<u>1,353,143</u>	<u>1,353,143</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 999,143</u>	<u>\$ 992,780</u>	<u>\$ 1,383,750</u>	<u>\$ 390,970</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2017*

	Job and Family Services Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Charges for Services	\$ 419,167	\$ 419,167	\$ 419,167	\$ -
Intergovernmental	3,945,000	3,427,917	3,427,917	-
Other	135,833	52,007	70,263	18,256
<i>Total Receipts</i>	<u>4,500,000</u>	<u>3,899,091</u>	<u>3,917,347</u>	<u>18,256</u>
DISBURSEMENTS:				
Human Services	4,600,000	4,160,402	3,936,763	223,639
<i>Total Disbursements</i>	<u>4,600,000</u>	<u>4,160,402</u>	<u>3,936,763</u>	<u>223,639</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(100,000)</u>	<u>(261,311)</u>	<u>(19,416)</u>	<u>241,895</u>
OTHER FINANCING SOURCES (USES):				
Advances In	50,000	-	-	-
Transfers In	50,000	50,000	66,895	16,895
<i>Total Other Financing Sources (Uses)</i>	<u>100,000</u>	<u>50,000</u>	<u>66,895</u>	<u>16,895</u>
<i>Excess of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses</i>	-	(211,311)	47,479	258,790
<i>Fund Balance at Beginning of Year</i>	<u>339,956</u>	<u>339,956</u>	<u>339,956</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 339,956</u>	<u>\$ 128,645</u>	<u>\$ 387,435</u>	<u>\$ 258,790</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Receipts, Disbursements,
and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2017*

	Auto License and Gas Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Fines and Forfeitures	\$ 14,000	\$ 11,347	\$ 11,347	\$ -
Intergovernmental	3,513,050	3,535,909	3,938,002	402,093
Interest	7,500	7,500	10,307	2,807
Other	-	-	23,451	23,451
<i>Total Receipts</i>	<u>3,534,550</u>	<u>3,554,756</u>	<u>3,983,107</u>	<u>428,351</u>
DISBURSEMENTS:				
Public Works	4,588,950	4,466,389	3,662,353	804,036
<i>Total Disbursements</i>	<u>4,588,950</u>	<u>4,466,389</u>	<u>3,662,353</u>	<u>804,036</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(1,054,400)</u>	<u>(911,633)</u>	<u>320,754</u>	<u>1,232,387</u>
<i>Fund Balance at Beginning of Year</i>	1,045,190	1,045,190	1,045,190	-
<i>Prior Year Encumbrances Appropriated</i>	<u>6,950</u>	<u>6,950</u>	<u>6,950</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ (2,260)</u>	<u>\$ 140,507</u>	<u>\$ 1,372,894</u>	<u>\$ 1,232,387</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
Statement of Assets and Net Position
Proprietary Fund - Cash Basis
As of December 31, 2017

	<u>Enterprise Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ (307,107)</u>
NET POSITION:	
Unrestricted	<u>\$ (307,107)</u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
*Statement of Receipts, Disbursements and
 Changes in Net Position*
Proprietary Fund - Cash Basis
For the Year Ended December 31, 2017

	Enterprise Funds
OPERATING CASH RECEIPTS:	
Charges for Services	\$ 419,124
<i>Total Operating Cash Receipts</i>	<i>419,124</i>
OPERATING DISBURSEMENTS:	
Personal Services	147,145
Contractual Services	189,773
Capital Outlay	64,740
Other	37,214
<i>Total Operating Disbursements</i>	<i>438,872</i>
<i>Operating Receipts Over (Under) Operating Disbursements</i>	<i>(19,748)</i>
Non-Operating Receipts (Disbursements):	
Proceeds from Loans	64,740
Other Non-Operation Revenues	1,260
Intergovernmental	88,740
Principal Retirement	(81,735)
Interest and Fiscal Charges	(4,700)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>68,305</i>
<i>Change in Net Position</i>	<i>48,557</i>
<i>Net Position at Beginning of Year</i>	<i>(355,664)</i>
<i>Net Position at End of Year</i>	<i>\$ (307,107)</i>

The notes to the basic financial statements are an integral part of this statement.

Meigs County
Statement of Fiduciary Net Position
Fiduciary Funds - Cash Basis
As of December 31, 2017

	<u>Agency Funds</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,564,558
Cash and Cash Equivalents in Segregated Accounts	<u>372,109</u>
<i>Total Assets</i>	<u>1,936,667</u>
NET POSITION:	
Unrestricted	<u>1,936,667</u>
<i>Total Net Position</i>	<u><u>\$ 1,936,667</u></u>

The notes to the basic financial statements are an integral part of this statement.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 1 – REPORTING ENTITY

Meigs County (the County), is a body politic and corporate established in 1819 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public service for the entire County.

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control.

The reporting entity is comprised of the primary government 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 Meigs County, this includes 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 organization's governing board and (1) The County is able to significantly influence the programs or services performed or provided by the organization; or (2) The County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, are accessible to the County and are significant in amount to the County. The County has the following blended component unit:

The Meigs County Transportation Improvement District (MCTID) is a legally separate entity pursuant to the Ohio Revised Code Section 5540.03(A)(1). The purpose of the MCTID is to improve the transportation system in Meigs County in order to contribute to the creation or preservation of jobs or employment opportunities or the improvement of economic welfare of the people within the area of the MCTID and to all the State. The Board of Trustees is appointed pursuant to the Ohio Revised Code Section 5540.02(C)(2). The Board of Trustees is made up of five voting members appointed by the Meigs County Commissioners, there are also two nonvoting members, one of which is appointed by the Speaker of the Ohio House of Representatives and the other is appointed by the president of the Ohio Senate. Separately issued financial statements can be obtained from the Meigs County Transportation Improvement District, Pomeroy, Ohio. The MCTID had no activity during 2017 and therefore no additional disclosures have been made.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 1 – REPORTING ENTITY (Continued)

Separate Agencies

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

- The Meigs County District Board of Health is governed by a Board of Trustees which oversees the operation of the District and is elected by a regional advisory council comprised of township trustees, mayors of participating municipalities, and one County Commissioner. The District adopts its own budget and operates autonomously from the County. Funding is based on a tax levy, along with various state and federal grants applied for by the District.
- The Meigs County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision within the County. The five supervisors of the 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 Meigs County Family and Children First Council is controlled by an oversight committee. The chair of the County Commissioners serves on the committee. The County is the fiscal agent for the Council's monies.

Other Organizations

The County is also associated with certain organizations which are defined as jointly governed organizations, related organizations, as well as one public entity shared risk pool. These organizations are presented in Notes 10, 11, and 12 to the basic financial statements. The organizations are as follows:

- Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board
- Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District
- Gallia-Meigs Community Action Agency
- Buckeye Hills Regional Council
- Meigs County Park District
- Southern Ohio Council of Governments
- County Commissioners Association of Ohio Workers' Compensation Group Rating Plan
- Buckeye Hills Resource Conservation and Development Council (RC&D)
- Meigs County District Public Library
- Meigs County Metropolitan Housing Authority

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

Fund Financial Statements

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

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

Governmental Funds

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

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board of Development Disabilities (MCBDD) Special Revenue Fund

This fund is to account for the operation of a school for the developmentally disabled and handicapped. The primary sources of revenue are a county-wide property tax levy and federal and state grants. Disbursements are restricted by State statute and grant agreements to mental retardation and developmental disabilities programs.

Job and Family Services Special Revenue Fund

This fund accounts for various federal and state grants used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services. The primary sources of revenue are federal and state grants.

Auto License and Gas Special Revenue Fund

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges. The primary sources of revenue are the state gas tax and motor vehicle registration fees.

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

Proprietary Funds

The County classifies funds financed primarily from user charges for goods or services as proprietary. Enterprise funds are the County's only proprietary fund type.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

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 agency 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 not available to support the County's own programs. The County has no trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the object level within each fund.

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

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

E. Cash and Cash Equivalents

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

Cash and cash equivalents that are held separately within the departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts."

During 2017, the County invested in certificates of deposit.

All interest receipts are reported in the General Fund except those specifically related to those funds deemed appropriate according to Board of County Commissioners' policy. For calendar year 2017, interest receipts amounted to \$38,278. The General Fund received \$27,971 and the Auto License and Gas Fund received \$10,307

F. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

G. Inventory and Prepaid Items

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements. In the government-wide financial statements, transfers and advances within the governmental activities or within business-type activities are eliminated.

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants.

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Of the County's \$8,213,578 in restricted net position, none is restricted by enabling legislation.

M. Fund Balance

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

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

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance (Continued)

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the County Commissioners.

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.

N. Pensions

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

NOTE 3- BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual –Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are due to several factors. The first factor is that outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). The second factor is that under Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that were previously reported as non-major special revenue funds are considered part of the General Fund on a cash basis. These funds were excluded from the budgetary presentation for the General Fund.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 3- BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	General	MCBDD	Job and Fmaily Services	Auto License and Gas
Cash Basis	\$2,965,076	\$1,383,750	\$387,435	\$1,372,894
Due to Excluded funds rolling into GF	(2,164,580)	0	0	0
Encumbrance	(38,049)	0	0	0
Budget Basis	<u>\$762,447</u>	<u>\$1,383,750</u>	<u>\$387,435</u>	<u>\$1,372,894</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

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 notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and federal 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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts in eligible institutions pursuant to ORC section 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143(6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities or cash, or both securities and cash, equal value for equal value;
9. Up to forty percent of the County's average portfolio in either of the following
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase.
 - b. Bankers acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. 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. 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. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they 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.

At year end, the County had \$6,911 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$11,198,459 of the County's bank balance of \$13,334,451 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five 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.

NOTE 5 - TAXES

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The assessed value for the taxes levied in 2017 was \$388,887,250 of which real property represented 81.37 percent (\$316,432,740) of the total and public utility property represented 18.63 percent (\$72,454,510) of the total. The full tax rate for all County operations for taxes collected in 2017, was \$15.20 per \$1,000 of assessed valuation.

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

Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.5 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to the sales tax. The allocation of the sales tax is 100 percent to the County's General Fund. 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 the amount of the tax to be returned to the County to the Ohio Department of Budget and Management (OBM). The Tax Commissioner's certification must be made within forty-five days after the end of each month. The OBM then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2017 amounted to \$2,656,074

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 6 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the County contracted with County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

<u>Type of Coverage</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	1,000,000	-
Property	51,389,739	2,500
Equipment Breakdown	100,000,000	2,500
Crime Coverage	1,000,000	2,500
Stop Gap Liability	1,000,000	2,500
Uninsured/Underinsured Motorists	250,000	2,500

The County has established a limited risk health, dental, and vision insurance program for Engineer's Department employees. Business Administrators and Consultants, Inc. (BAC) serviced all claims submitted by employees of the Engineer's Department. Excess coverage insurance policies covered individual claims in excess of \$35,000 for BAC. All other County employees have coverage through The Health Plan.

No significant reductions in coverage noted in any of its insurance coverage from those maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years. The County pays all elected officials' bonds by statute.

In accordance with the cash basis of accounting, as more fully described in Note 2, the County does not record a liability for any incurred but unpaid claims as of year-end.

Self Insurance

The County Highway Department is self-insured for health care. The Auto License and Gas Fund pays covered claims to service providers, and recovers these costs from charges to highway employees. A comparison of Auto License and Gas Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2017</u>
Cash and investments	\$91,114
Actuarial liabilities	\$129,000

For 2017, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). 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 net pension liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

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 OPERS, 277 East Town Street, Columbus, OH 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	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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
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
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF'GF'DGPGHK'RGPUKQ'RNCPU (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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 percent

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was \$1,155,158 in fiscal year 2017.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF'GF'DGPGHK'RGP'UKQP'RNCPU (Continued)

Net Pension Liability

The net pension liability reported as of December 31, 2017 was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

<u>OPERS</u>	
Proportionate Share of the Net Pension Liability	\$ 8,792,881
Proportionate Share of the Net Pension Liability - Current Measurement Date	0.0387210%
Proportionate Share of the Net Pension Liability - Prior Measurement Date	<u>0.0399850%</u>
Change in Proportionate Share	<u><u>-0.001264%</u></u>

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 in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75%(Traditional; 3.25% - 8.25% Combined)
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent, simple Post 1/7/2013 Retirees: 3.00 % Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.50 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are 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.

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

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF GF'DGP GHK'RGP UKQP'RNCPU (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5%, post-experience study results, 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 on the following page displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation for 2016</u>	<u>Weighted Average Long Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.5 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent), or one percentage point higher (8.5 percent) than the current rate .

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Authority's proportionate share of the net pension liability	\$13,433,089	\$8,792,881	\$4,926,086

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). As of December 31, 2015, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 3.0856 years and for the Combined Plan was 9.1304 years. These amounts were used when calculating elements of pension expense subject to amortization requirements as defined in GASB 68 and reported in the Schedule of Collective Pension Amounts.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF GF'DGP GHW'RGP UKQP'RNCPU (Continued)

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 was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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, member contributions are allocated among investment choices by the member, and employer contributions 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, 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. 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. For fiscal year June 30, 2017, the employer rate was 14% and the member rate was 14% of covered payroll. The statutory employer rate for fiscal year 2016 and subsequent years is 14%. The statutory member contribution rate increased to 14% on July 1, 2016. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS Ohio was \$38,328 for fiscal year 2017.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF'GF'DGP GHW'RGP UKQP'RNCPU(Continued)

Net Pension Liability

The net pension liability reported as of December 31, 2017 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share as well as the pension expense:

	STRS
Proportionate Share of the Net Pension Liability - Current Year	0.24986500%
Proportionate Share of the Net Pension Liability - Prior Year	0.29374900%
Change in Proportionate Share	-0.04388400%
Proportion of the Net Pension Liability	\$593,560

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	2.50 percent at age 65 to 12.50 percent at age 20
Investment Rate of Return	7.45 percent, net of investment expenses"
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

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

Experience Studies - Actuarial assumptions used in the July 1, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - FGHF GF'DGP GHW'RGP UKQP'RNCPU (Continued)

Actuarial Assumptions - STRS

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Nominal Rate of Return*</u>
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	<u>1.00</u>	2.25
Total	<u><u>100.00 %</u></u>	

* Includes the real rate of return and inflation of 2.25% and does not include investment expenses.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. 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, 2017.

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:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
County's proportionate share of the net pension liability	\$850,848	\$593,560	\$376,833

Changes Between Measurement Date and Report Date In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to County's NPL is expected to be significant.

NOTE 8 - POSTEMPLOYMENT BENEFITS

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 post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. 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 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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 OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. 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 for Member-Directed Plan participants for 2017 was 4.0%.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

The employer contributions that were used to fund post-employment benefits for 2017, 2016, and 2015, were \$88,858, \$172,590, and \$168,043, respectively. The full amount has been contributed for fiscal years 2017, 2016 and 2015.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2017, STRS Ohio allocated employer contributions equal to 0 percent of covered payroll to post-employment health care. The County’s contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015, were \$0 for each year, which equaled the required contributions each year. The full amount has been contributed for 2019, 2018, and 2017.

NOTE 9 - DEBT OBLIGATIONS

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. Debt obligations are presented for informational purposes only. However, information regarding such changes in the County’s general long-term obligations during 2017 is as follows:

Issues	Interest Rates	Outstanding 12/31/16	Additions	Reductions	Outstanding 12/31/17	Due in 1 Year
Governmental Funds						
<u>Long-Term Obligations</u>						
2011 - Farmers Bank 95042	3.63%	\$ 20,898	\$ -	\$ 6,003	\$ 14,895	\$ 6,228
2017 - Sheriff Tahoes	2.68%	-	58,400	20,518	37,882	18,434
2015 - Animal Shelter	3.45%	250,000	-	26,165	223,835	25,025
2015 - Med Flight	3.45%	480,709	-	26,589	454,120	27,521
Total Governmental Obligations		<u>\$ 751,607</u>	<u>\$ 58,400</u>	<u>\$ 79,275</u>	<u>\$ 730,732</u>	<u>\$ 77,208</u>
Business-Type Fund						
<u>Long-Term Obligations</u>						
2002 - Rural Hardship EPA	0.00%	\$ 11,700	\$ -	\$ 1,950	\$ 9,750	\$ 1,950
OWDA - Rutland Sewer	1.00%	443,670	-	14,092	429,578	14,233
OWDA - Rutland Water Purchase	1.00%	30,019	-	953	29,066	963
OWDA - HSTS Program	0.00%	-	64,740	64,740	-	-
Total Business-Type Activities		<u>\$ 485,389</u>	<u>\$ 64,740</u>	<u>\$ 81,735</u>	<u>\$ 468,394</u>	<u>\$ 17,146</u>

The Rural Hardship EPA Loan was obtained in 2002 in the amount of \$39,000 for additional capitalization of the Meigs County Grant/Loan Program. Rutland Sewer Enterprise Fund monies are used to repay this debt.

The 2011 Farmer’s Bank and Savings Company loan in the amount of \$55,681 was obtained to remodel a building for the Job and Family Service ‘Jobs One-Stop’ Renovation. Monies from the Debt Service Fund are used to repay this debt.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 9 - DEBT OBLIGATIONS (Continued)

In 2012, 2013, and 2014 the County issued an OWDA loan in the amount of \$478,291 to purchase the Rutland Sewer System. Monies from the Rutland Sewer Enterprise Fund are used to pay this debt.

The County issued an OWDA loan in 2013 in the amount of \$32,361 to purchase the Rutland Water System. This debt is being repaid through the Rutland Water Enterprise Fund.

The County issued an OWDA loan in 2016 in the amount of \$180,000 for the Home Sewage Treatment System (HSTS) project. As of December 31, 2017, \$84,740 of the loan has been drawn. The OWDA loan was paid in 2016 and 2017 by grant funding.

The County issued a line of credit in 2015 in the amount of \$250,000 for construction of an animal shelter. As of December 31, 2016, the entire amount has been drawn. Monies from the Animal Shelter Fund will be used to repay this debt.

The County issued a line of credit in 2015 in the amount of \$500,000 for the construction of a Med Flight building. As of December 31, 2016, the entire amount had been drawn. Monies from the Debt Service Fund are being used to repay this debt.

The County entered a Master Equipment Lease Purchase Agreement with GM financial in 2017 in the amount of \$58,400 for 2 Chevrolet Tahoes. As of December 31, 2017, the entire amount has been drawn. Monies from the general fund are being used to repay this debt.

At December 31, 2017, the County's overall legal debt margin was \$8,222,181 with an unvoted debt margin of \$3,888,873. The Ohio Revised Code provides that net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the County. The Revised Code further provides that total voted and unvoted net debt of the County less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

The annual requirements to amortize debt and interest outstanding as of December 31, 2017, are as follows:

Year Ending December 31	Rural Hardship EPA Loan		Farmer's Bank - 95042		OWDA Rutland Sewer		OWDA Rutland Water Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	1,950	-	6,228	443	14,233	4,260	963	288
2019	1,950	-	6,460	211	14,376	4,118	973	279
2020	1,950	-	2,207	17	14,520	3,973	982	269
2021	1,950	-	-	-	14,665	3,828	992	259
2022	1,950	-	-	-	14,813	3,681	1,002	249
2023-2027	-	-	-	-	76,320	15,991	5,164	1,092
2028-2032	-	-	-	-	80,223	12,244	5,428	828
2033-2037	-	-	-	-	84,326	8,141	5,705	551
2038-2042	-	-	-	-	88,638	3,829	5,997	259
2043-2044	-	-	-	-	27,464	275	1,860	19
Total	\$ 9,750	\$ -	\$ 14,895	\$ 671	\$ 429,578	\$ 60,340	\$ 29,066	\$ 4,093

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 9 - DEBT OBLIGATIONS (Continued)

Year Ending December 31	MedFlight		Animal Shelter		Sheriff Tahoes	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$27,521	\$15,234	\$25,025	\$7,328	\$18,434	\$2,084
2019	28,486	14,269	25,902	6,451	19,448	1,070
2020	29,446	13,309	26,793	5,560	-	-
2021	30,516	12,239	27,749	4,604	-	-
2022	31,586	11,169	28,722	3,632	-	-
2023-2027	175,305	38,470	89,644	4,718	-	-
2028-2031	131,260	7,695	-	-	-	-
Total	\$454,120	\$112,385	\$223,835	\$32,293	\$37,882	\$3,154

NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS

Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board

The ADAMH Board is a jointly governed organization. Participants are Gallia, Jackson and Meigs counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund, and evaluate the services provided. The Board is managed by fourteen members. Board members are appointed by the Board's Director and the legislative authorities as well as citizens of the Board. Those subdivisions are Gallia, Jackson, and Meigs Counties. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriation, contracting, and management.

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2017, the County made no contributions to the Board.

Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District

The County is a member of a multi-county Joint Solid Waste Management District (District), which is a jointly governed organization involving Gallia, Jackson, Vinton, and Meigs counties. The purpose of the District is to plan and implement comprehensive and environmentally sound solid waste management facilities and provide for the establishment of waste minimization, waste reduction, and recycling programs. The District was created in 1989, as required by the Ohio Revised Code.

The Gallia-Jackson-Meigs-Vinton Joint Solid Waste Management District is governed and operated through three groups. A twelve member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the District. The District's only revenue source is a waste disposal fee for in-district and out-of-district waste.

A twenty-five member policy committee, comprised of six 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. Each participating County's influence is limited to the number of members each appoints to the board. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists. The County made no contributions to the District in 2017.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 10 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Gallia-Meigs Community Action Agency

The Gallia-Meigs Community Action Agency is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Gallia and Meigs counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. The Gallia County Commissioners apply for the Community Housing Improvement Program Grant and the HOME Grant which are administered and implemented by the Community Action Agency. The County is the fiscal agent of the grant, but the grants are used by the Community Action Agency to improve low income family housing in Gallia County. Community Action contracts for expenses that relate to the grants and then the County Commissioners issue the payments. The Board exercises total control of the budgeting, appropriation, contracting and management. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. In 2017, the County paid \$45,958 to the Agency for services provided to the County.

Buckeye Hills Regional District

The Buckeye Hills-Hocking Valley Regional Developmental District serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a fifteen member board of directors. The board is composed of one County Commissioner from each county, one member from the City of Athens Council, one member from the City of Marietta Council, four at-large members appointed from the ten government members, and one member from the minority sector. The board has total control over budgeting, personnel, and all other financial matters. The District administers grant monies. During 2017, the District received \$10,000 in administrative fees from Meigs County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

Meigs County Park District

Meigs County Park District, Meigs County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a Board of Commissioners appointed by the probate judge of Meigs County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these as the Board deems conducive to the general welfare.

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Meigs County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2017, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at PO Box 456, Chillicothe, Ohio 45601.

NOTE 10 –JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 2017, the Council received \$400 in administrative fees from Meigs County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

NOTE 11 –RELATED ORGANIZATIONS

Meigs County District Public Library

The Meigs County District Public Library is statutorily created as a separate and distinct political subdivision of the State. Four trustees of the Library are appointed by the County Commissioners, and three trustees are appointed by the judges of the Common Pleas Court. Due process is required to remove board members. The County provides no contributions of its own to the library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend upon the County for operational subsidies.

Meigs County Metropolitan Housing Authority

The Meigs County Metropolitan Housing Authority is a political subdivision of the State of Ohio, created under Section 3735.01 of the Ohio Revised Code for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The Authority is operated by a five member board. Two board members are appointed by the Village of Pomeroy, one member is appointed by the Probate Court Judge, one member is appointed by the Common Pleas Court Judge, and one member is appointed by the County Commissioners. The Authority receives funding from the U.S. Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in its management or operation. The County is not financially accountable for the Authority.

NOTE 12 - PUBLIC ENTITY SHARED RISK POOL

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 13 - CONTINGENCIES

Grants

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

Litigation

The County is currently party to legal proceedings. However, it is the opinion of management that any results of such proceedings will not have a material adverse effect on the County's financial condition.

NOTE 14 - INTERFUND ACTIVITY

	Transfers In	Transfers Out
<u>Major Fund:</u>		
General Fund	\$ -	\$ 245,444
MCBDD Fund	-	146,000
Public Assistance Fund	66,895	-
<u>Non-major Funds:</u>		
Other Governmental Funds	324,582	33
	\$ 391,477	\$ 391,477

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the General Fund were made to subsidize programs and retire debt. Transfers from Other Governmental Funds were for a local share of a grant.

	Advances In	Advances Out
General Fund	\$ 76,664	\$ 25,010
Other Governmental Funds	25,010	76,664
	\$ 101,674	\$ 101,674

During the year, the County's General Fund made advances to other funds in anticipation of intergovernmental grant revenue or other revenues and to advance funds for capital improvements. Advances to the General Fund are for repayments of outstanding advances.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 15 – COMPLIANCE AND ACCOUNTABILITY

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

Ohio Rev. Code § 5705.10(I) provides that money paid into a fund must be used only for the purpose for which such fund has been established. As of December 31, 2017, the NSP Program, 2005 CDBG Formula, Voter Education/Training, Victims Assistance Grant, Diversion Grant, Sheriff Cruiser, Commissioner PSI Grant, Rutland Sewer, and the Rutland Water funds had cash deficit balances of \$1,000, \$1,216, \$21,532, \$6,719, \$10,393, \$9,474, \$18,332, \$205,376, and \$91,806, respectively.

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Auditor is attached thereto. The County did not properly encumber or use a "then and now" certification for all transactions.

Ohio Admin. Code § 117-2-02(C)(1) provides that all local public offices integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. At December 31, 2017, appropriations posted to the system varied materially from those approved by the Board of Commissioners.

NOTE 16 - NEW ACCOUNTING PRINCIPLES

For fiscal year 2017, the County has implemented GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, GASB Statement No. 80, "Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14 and GASB Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the County.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as no-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the County.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payment made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the County.

Meigs County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 17 - FUND BALANCES

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

Fund Balances	General	MCBDD	Job and Family Services	Auto License and Gas	All Other Governmental	Total Governmental Funds
Nonspendable						
Unclaimed Monies	\$ 170,495	\$ -	\$ -	\$ -	\$ -	\$ 170,495
Restricted for						
Other Purposes	-	-	-	-	3,477,576	3,477,576
Debt Service	-	-	-	-	27,862	27,862
Capital Outlay	-	-	-	-	55,111	55,111
MCBDD	-	1,383,750	-	-	-	1,383,750
Job and Family Services	-	-	387,435	-	-	387,435
Real Estate Assessment	-	-	-	-	775,507	775,507
Auto License and Gas	-	-	-	1,372,894	-	1,372,894
Children Services	-	-	-	-	342,723	342,723
Child Support Enforcement	-	-	-	-	390,720	390,720
Total Restricted	<u>-</u>	<u>1,383,750</u>	<u>387,435</u>	<u>1,372,894</u>	<u>5,069,499</u>	<u>8,213,578</u>
Committed to						
Medicaid Sales Tax Transition	1,752,093	-	-	-	-	1,752,093
Assigned to						
Other Purposes	279,040	-	-	-	-	279,040
Unassigned (Deficit)	<u>763,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,666)</u>	<u>694,782</u>
Total Fund Balances	<u>\$ 2,965,076</u>	<u>\$ 1,383,750</u>	<u>\$ 387,435</u>	<u>\$ 1,372,894</u>	<u>\$ 5,000,833</u>	<u>\$ 11,109,988</u>

NOTE 18 – SUBSEQUENT EVENTS

In fiscal year 2017, the County was approved for the Rutland Sewer Project for Community Infrastructure. This project includes \$250,000 in Appalachian Regional Commission funding as well as \$3,055,000 in other funding. The grantor is expecting to obtain the remaining required information by the end of July 2018 to begin the project.

Additionally, in fiscal year 2018, the County awarded and entered into contract for the 2018 County Resurfacing Project Parts 1,2,3 in the amount of \$1,384,813 with The Shelly Company to perform the work and to be completed by October 23, 2018. Further, in fiscal year 2018, the County was awarded the TAP grant through ODOT for \$450,000 for the Phase III Connector to connect the Middleport and Pomeroy walking paths with planning and preparation to begin immediately and construction slated for fiscal year 2021.

MEIGS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Job and Family Services</i>				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1819-11-5776	\$0	\$196,667
Total SNAP Cluster			0	196,667
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2017/2018	0	1,232
Cash Assistance:				
School Breakfast Program	10.553	2017/2018	0	10,724
National School Lunch Program	10.555	2017/2018	0	14,415
Total Child Nutrition Cluster			0	26,371
<i>Direct from Federal Government</i>				
Special Evaluation Assistance for Rural Communities and Households	10.759	N/A	0	24,000
Total U.S. Department of Agriculture			0	247,038
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Development Services Agency</i>				
Community Development Block Grants - State's Program	14.228	B-W-14-1BW-1	0	10,000
Community Development Block Grants - State's Program	14.228	B-F-16-1BW-1	0	80,320
Community Development Block Grants - State's Program	14.228	B-F-15-1-BW-1	0	7,933
Total Community Development Block - State's Program			0	98,253
Total U.S. Department of Housing and Urban Development			0	98,253
UNITED STATES DEPARTMENT OF INTERIOR				
<i>Passed through the Ohio Department of Natural Resources</i>				
Payments in Lieu of Taxes	15.226	N/A	0	690
Total United States Department of Interior			0	690
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Ohio Department of Job and Family Services</i>				
Employment Service/Wagner-Peyser Funded Activities	17.207	G-1617-15-0188	0	3,000
Workforce Innovation and Opportunity Act (WIOA) Cluster				
WIOA Adult	17.258	G-1617-15-0188/G-1819-15-0206	0	96,757
WIOA Youth Activities	17.259	G-1617-15-0188/G-1819-15-0206	0	71,530
WIOA Dislocated Workers Formula Grant	17.278	G-1617-15-0188/G-1819-15-0206	0	46,209
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			0	214,496
Total U.S. Department of Labor			0	217,496
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PID #103460	0	1,242
Highway Planning and Construction	20.205	PID #104232	0	3,592
Highway Planning and Construction	20.205	PID #103668	0	39,378
Highway Planning and Construction	20.205	PID #103673	0	34,597
Highway Planning and Construction	20.205	PID #103665	0	83,470
Highway Planning and Construction	20.205	PID #103470	0	23,400
Total Highway Planning and Construction Cluster			0	185,679
Total U.S. Department of Transportation			0	185,679
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Special Education Cluster:				
Special Education - Grants to States	84.027	2017	0	21,379

MEIGS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Special Education - Preschool Grants	84.173	2017	0	10,458
Total Special Education Cluster			0	31,837
Passed Through Ohio Department of Developmental Disabilities				
Special Education-Grants for Infants and Families	84.181	N/A	0	27,467
Total U.S. Department of Education			0	59,304
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Mental Health and Addiction Services				
Substance Abuse and Mental Health Services Projects of Regional an	93.243	N/A	0	8,604
Social Services Block Grant				
Passed Through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	N/A	0	20,266
Passed Through Ohio Department of Job and Family Services				
Social Services Block Grant	93.667	G-1819-11-5776	54,690	527,232
Total Social Services Block Grant			54,690	547,498
Passed Through Ohio Department of Job and Family Services				
Medicaid Cluster:				
Medical Assistance Program	93.778	G-1819-11-5776	0	677,058
Total Medicaid Cluster			0	677,058
Promoting Safe and Stable Families Grant				
Passed Through Ohio Department of Job and Family Services				
Promoting Safe and Stable Families	93.556	G-1617-11-5550/G-1819-11-5776	0	21,395
Passed Through Ohio Department of Mental Health and Addiction Services				
Promoting Safe and Stable Families	93.556	N/A	0	32,346
Total Promoting Safe and Stable Families Grant			0	53,741
Passed Through Ohio Department of Job and Family Services:				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-1617-11-5550/G-1819-11-5776	36,015	1,189,937
Total TANF Cluster			36,015	1,189,937
Child Support Enforcement	93.563	G-1617-11-5550/G-1819-11-5776	0	236,794
CDCF Cluster:				
Child Care and Development Block Grant	93.575	G-1819-11-5776	0	34,658
Total CDCF Cluster			0	34,658
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1617-11-5550/G-1819-11-5776	0	11,855
Foster Care - Title IV-E	93.658	G-1617-11-5550/G-1819-11-5776	0	88,227
Adoption Assistance	93.659	G-1617-11-5550/G-1819-11-5776	0	7,919
Total U.S. Department of Health and Human Services			90,705	2,856,291
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMC-2016-EP-00003-S01	0	22,653
Total U.S. Department of Homeland Security			0	22,653
Total Expenditures of Federal Awards			90,705	3,687,404

The accompanying notes are an integral part of this Schedule.

MEIGS COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Meigs County, Ohio (the County) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

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

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The County reports commodities consumed on the Schedule at the fair value. The County allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE F - MATCHING REQUIREMENTS

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

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Dave Yost • Auditor of State

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

Meigs County
100 E. Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Meigs County, Ohio (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 27, 2018, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2017-006 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2017-001 through 2017-005.

Entity's Responses to Findings

The County's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

September 27, 2018



Dave Yost • Auditor of State

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

Meigs County
100 E. Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Meigs County's, Ohio (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the County's major federal programs for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Meigs County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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



Dave Yost
Auditor of State
Columbus, Ohio

September 27, 2018

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): <ul style="list-style-type: none"> • Temporary Assistance for Needy Families Cluster, CFDA #93.558 • Medicaid Cluster, CFDA #93.778 	
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR PART 200.515
DECEMBER 31, 2017 (Continued)

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

FINDING NUMBER 2017-001

Noncompliance and Finding for Recovery – Resolved Under Audit

Ohio Rev. Code § 325.04 provides that each county treasurer be classified, for salary purposes, according to the population of the county. For a County with a population of 20,001-35,000, the legislature approved an annual salary of \$42,172 for a Treasurer whose term began prior to September 29, 2015. For a County with a population of 1-55,000, the legislature approved an annual salary of \$49,813 for a Treasurer whose term began after September 29, 2015. All county treasurers shall receive annual compensation in accordance with the approved schedules. Further, Ohio Const. Art. II, Section 20 provides for the general prohibition on in-term compensation changes for public officers, both increases and decreases.

County Treasurer Peggy Yost began a new term September 4, 2017. According to the allocation of her prorated salary for the increase beginning in September 2017, the County overpaid her by \$1,081 during 2017 from the General Fund.

\$42,172	Annual Salary Set by County Advisory Bulletin 2015-01 (term beginning prior to Sept. 2017)
3,514	Monthly Salary (divided by 12)
8	Months subject to this rate
28,115	Prorated Salary Through August
49,813	Annual Salary Set by County Advisory Bulletin 2015-01 (term beginning Sept. 2017)
4,151	Monthly Salary (divided by 12)
4	Months subject to this rate
16,604	Prorated Salary Through December
44,719	Total Salary due for 2017
45,800	Amount Actual Paid
\$1,081	Overpayment/Unpaid Finding for Recovery

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public monies illegally expended is hereby issued against Peggy Yost, Treasurer, and the Star Insurance Company, her bonding company, jointly and severally, for \$1,081 and in favor of the County's General Fund.

Ms. Yost entered into a repayment agreement with the County on June 29, 2018, to make monthly installments of no less than \$100 per month.

Official's Response: To date Peggy has repaid \$700 of her amount owed back to the county.

FINDING NUMBER 2017-002

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Admin. Code § 117-2-03 further clarifies the requirements of Ohio Rev. Code § 117.38.

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR PART 200.515
DECEMBER 31, 2017 (Continued)

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

FINDING NUMBER 2017-002 (Continued)

Noncompliance - Ohio Rev. Code § 117.38 (Continued)

Ohio Admin. Code Â§ 117-2-03(B) requires the County to file its annual financial report pursuant to generally accepted accounting principles. However, the County prepared its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles.

The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code § 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The County should take the necessary steps to ensure that the annual financial report is prepared and filed on a generally accepted accounting principles basis.

Official's Response: The cost of filing GAAP is why the county does not file it.

FINDING NUMBER 2017-003

Noncompliance

Ohio Rev. Code § 5705.10(I) provides that money paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The County reported the following deficit balances at December 31, 2017:

Fund Name	Fund Number	Deficit Balance
Board of Elections Revenue	B47	\$21,533
Rutland Sewer	E01	205,376
Rutland Water	E02	91,806
Rutland Sewer Improvement	E05	10,523
2010 Diversion Grant	M71	10,392
Attendance Substidy	M91	9,474
2014 PSI Grant	T37	18,332

Funds operating in a deficit results in using monies restricted for unrelated purposes which could result in findings for adjustment.

Management should ensure money paid into a fund is used only for purposes for which such fund was established. Expenditures should not be permitted from funds with no balance or with a negative balance. Steps should be identified and implemented that would help the County reduce spending, increase revenues, or both.

Official's Response: E01 & E02 were an acquired debt by the county, we are to receive grant funding next year to correct this deficit. The other funds are reimbursing grants.

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR PART 200.515
DECEMBER 31, 2017 (Continued)

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

FINDING NUMBER 2017-004

Noncompliance

Ohio Rev. Code § 5705.14(H) provides that money may be transferred from the county developmental disabilities general fund to the county developmental disabilities capital fund established under § 5705.091 of the Revised Code or to any other fund created for the purposes of the county board of developmental disabilities, so long as money in the fund to which the money is transferred can be spent for the particular purpose of the transferred money. The county board of developmental disabilities may request, by resolution, that the board of county commissioners make the transfer. The county board of developmental disabilities shall transmit a certified copy of the resolution to the board of county commissioners. Upon receiving the resolution, the board of county commissioners may make the transfer. Money transferred to a fund shall be credited to an account appropriate to its particular purpose. The transfers can be made only by resolution of the taxing authority passed with the affirmative vote of two thirds of the members.

The County Auditor posted \$111,000 as an interfund transfer from the (B50) MCBDD Fund to the (Q54) MCBDD Capital Project fund that the County Commissioners did not approve by legislative authorization. The County Board of Developmental Disabilities also failed to formally approve the interfund transfer by resolution as required. Posting interfund activity without the proper authorization could result in improper transfers and audit adjustments.

The County Board of Developmental Disabilities should submit a request, by resolution, to the board of County Commissioners for any transfer relating to its funds which it wishes to make due to the various restrictions over its funding. The County Commissioners should approve the transfer by resolution passed with the affirmative vote of two thirds of the members and should reflect this approval in their record of proceedings to allow for a higher level of transparency. The County Auditor and Commissioners should monitor transfers in the accounting system to help ensure amounts agree to Commissioner approved amounts.

Official's Response: We have fund to fund transfer papers to back this transaction. I believe they may not have it in the journal as a transfer. We can make an entry to amend the journal.

FINDING NUMBER 2017-005

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Auditor is attached thereto. The Auditor must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. There are several exceptions to the standard requirement stated above that a Auditor's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR PART 200.515
DECEMBER 31, 2017 (Continued)

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

FINDING NUMBER 2017-005 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

1. "Then and Now" certificate - If the Auditor can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by approval vote. Amounts of less than \$3,000 may be paid by the Auditor without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

2. Blanket Certificate - Auditor's may prepare "blanket" certificates for a certain sum of money not exceeding an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

3. Super Blanket Certificate - The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Auditor for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

During our test for unrecorded encumbrances at year end, we noted the County did not properly encumber or use a "then and now" certificates for a projected 80% of the obligations existing at December 31, 2017 and paid in 2018. Failure to properly certify the availability of funds for obligations existing at year end can result in overstated available fund balances on which management is basing financial decisions.

Unless the exceptions noted above are used, prior certification is not only required by statute but is key control in the disbursement process to assure that purchase commitments receive prior appropriation prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the Auditor should certify that all funds are or will be available prior to obligation by the County.

Official's Response: We changed the threshold on the 'now and thens' to \$5,000 quite a few years ago. We also encumber any bills at year end if there are appropriations to do so.

FINDING NUMBER 2017-006

Material Weakness

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

MEIGS COUNTY
SCHEDULE OF FINDINGS
2 CFR PART 200.515
DECEMBER 31, 2017 (Continued)

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

FINDING NUMBER 2017-006 (Continued)

Material Weakness (Continued)

The Segregated Cash on the Fiduciary Statement of Net Position was shown as the bank balances instead of the book balance. This resulted in an adjustment of \$227,204.

Intergovernmental receipts in the Auto, License, Gas Fund were posted as miscellaneous receipts, resulting in a reclassifying adjustment of \$250,537.

These misstatements were caused by confusion over proper recording and went undetected due to a lack of adequate monitoring. As a result, significant adjustments with which the County's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County Auditor should review all outside bank accounts periodically and at year end to ensure all amounts have been properly recorded.

Official's Response: We have discussed this and will try to correct it in the future.

3. FINDING AND FOR FEDERAL AWARDS
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None.

OFFICE OF
MEIGS COUNTY COMMISSIONERS

Randy Smith, President
Tim Ihle, Vice President
Mike Bartrum, Member
Betsy Entsminger, Clerk

Meigs County Courthouse
Suite 301, 100 East Second Street
Pomeroy, OH 45769
740-992-2895
Fax: 740-992-2270
www.meigscountycommissioners.com

**MEIGS COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Ohio Rev. Code § 325.08 cited and a finding for recovery – resolved under audit for overpayment of the former Clerk of Courts.	Corrected	N/A
2016-002	Ohio Admin. Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	This is because of the cost.
2016-003	Ohio Rev. Code § 5705.10(I) cited for fund deficits in five of the County funds at December 1, 2016.	Not Corrected	E01 & E02 were an acquired debt by the county, we are to receive grant funding next year to correct this deficit. The other funds are reimbursing grants.
2016-004	Ohio Rev. Code § 5705.40 cited for posting unapproved appropriation amendments to the accounting system.	Partially Corrected	Change in Commissioner's clerk Some things are not journalized correctly in the minutes.
2016-005	Ohio Rev. Code § 5705.41(B) cited for expenditures exceeding formally adopted appropriations.	Corrected	N/A
2016-006	Material weakness and Ohio Admin. Code § 117-2-02(A) cited for EMS financial activity and cash balance being omitted from the unaudited financial statements.	Corrected	N/A
2016-007	Material Weakness Federal Noncompliance with 2 CFR Part 200.510(b) due to the omission of several federal program expenditures from the Schedule of Expenditures of Federal Awards.	Corrected	N/A

OFFICE OF
MEIGS COUNTY COMMISSIONERS

Randy Smith, *President*
Tim Ihle, *Vice President*
Mike Bartrum, *Member*
Betsy Entsminger, *Clerk*

Meigs County Courthouse
Suite 301, 100 East Second Street
Pomeroy, OH 45769
740-992-2895
Fax: 740-992-2270
www.meigscountycommissioners.com

**MEIGS COUNTY
CORRECTIVE ACTION PLAN
2 CFR PART 200.511(c)
DECEMBER 31, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	The County has entered into a repayment plan. To date Peggy has repaid \$700 of her amount owed back to the county.	12/31/2018	Mary T. Byer-Hill, County Auditor
2017-002	We will be starting to file GAAP.	12/31/2018	Mary T. Byer-Hill, County Auditor
2017-003	Get the State to not do reimbursing grants.	12/31/2018	Mary T. Byer-Hill, County Auditor
2017-004	All paper work is approved by Commissioners before being submitted to the Auditor.	12/31/2018	Mary T. Byer-Hill, County Auditor
2017-005	We will attempt to correct this going forward.	12/31/2018	Mary T. Byer-Hill, County Auditor
2017-006	We have discussed this and will try to correct it in the future.	12/31/2018	Mary T. Byer-Hill, County Auditor



Dave Yost • Auditor of State

MEIGS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 11, 2018**