HARRISON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

HARRISON COUNTY
DECEMBER 31, 2018

TABLE OF CONTENTS

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Harrison County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion

As described in Note 1B of the financial statements, the County prepared these financial statements using the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. However, Ohio Administrative Code § 117-2-03(B) requires these statements to follow accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumably material.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Harrison County as of December 31, 2018, and the respective changes in financial position or cash flows thereof for the year then ended.

Other Matters

Supplementary Information

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

The Schedule of Expenditures of Federal Awards 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 also not a required part of the financial statements.

Because of the significance of the matter described in the *Basis for Adverse Opinion* paragraph, it is inappropriate to express and we do not express an opinion on the supplementary information referred to above.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 18, 2019

Harrison County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	$4,011,902	$5,536,975	$0	$952,528	$0	$10,501,405
Charges for Services	1,560,118	3,238,913	0	0	0	4,799,031
Licenses and Permits	975	0	0	0	0	975
Fines and Forfeitures	97,198	78,702	0	0	0	175,900
Intergovernmental	918,690	8,450,787	0	344,520	0	9,713,997
Special Assessments	0	580	0	0	0	580
All Other Revenue	333,600	656,216	0	0	2,211	992,027
Total Cash Receipts	6,922,483	17,962,173	0	1,297,048	2,211	26,183,915
Cash Disbursements						
Current:						
General Government						
Legislative and Executive	3,318,099	1,020,291	0	0	0	4,338,390
Judicial	1,165,824	886,379	0	0	0	2,052,203
Public Safety	1,298,888	2,194,418	0	0	0	3,493,306
Public Works	60,000	4,146,285	0	0	0	4,206,285
Health	0	1,764,939	0	0	0	1,764,939
Human Services	302,757	6,799,525	0	0	0	7,102,282
Miscellaneous	1,136	3,780	0	0	0	4,916
Capital Outlay	0	0	0	768,852	0	768,852
Debt Service:						
Note Principal Payment	0	292,809	0	0	0	292,809
Interest and Fiscal Charges	0	31,617	0	0	0	31,617
Total Cash Disbursements	6,146,704	17,140,043	0	768,852	0	24,055,599
Excess of Cash Receipts Over Cash Disbursements	775,779	822,130	0	528,196	2,211	2,128,316
Other Financing Receipts (Disbursements)						
Transfers In	0	1,144,231	0	0	0	1,144,231
Transfers Out	(1,219,231)	0	0	0	0	(1,219,231)
Advances In	79,779	97,000	0	0	0	176,779
Advances Out	(247,000)	(36,279)	0	0	0	(283,279)
Other Financing Sources	1,297,972	172,130	0	0	0	1,470,102
Other Financing Uses	(307,238)	0	0	0	0	(307,238)
Total Other Financing Receipts (Disbursements)	(395,718)	1,377,082	0	0	0	981,364
Net Change in Fund Cash Balances	380,061	2,199,212	0	528,196	2,211	3,109,680
Fund Cash Balances, January 1	2,091,917	8,248,112	126	7,360,529	59,485	17,760,169
Fund Cash Balances, December 31						
Nonspendable	129,862	0	0	0	0	129,862
Restricted	0	10,447,324	0	7,888,725	51,966	18,388,015
Committed	0	0	126	0	9,730	9,856
Unassigned (Deficit)	2,342,116	0	0	0	0	2,342,116
Fund Cash Balances, December 31	$2,471,978	$10,447,324	$126	$7,888,725	$61,696	$20,869,849

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

Harrison County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

	Proprietary Fund Types		Fiduciary Fund Types	Totals
	Enterprise	Internal Service	Agency	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	$533,561	$35,355	$185,736	$754,652
All Other Revenue	18,454	0	0	18,454
Total Operating Cash Receipts	552,015	35,355	185,736	773,106
Operating Cash Disbursements				
Personal Services	533,327	0	0	533,327
Contract Services	145,294	22,960	0	168,254
Supplies and Materials	371,293	0	0	371,293
Total Operating Cash Disbursements	1,049,914	22,960	0	1,072,874
Operating Income (Loss)	(497,899)	12,395	185,736	(299,768)
Non-Operating Receipts (Disbursements)				
Grants	383,254	0	0	383,254
Note Retirement	(11,764)	0	0	(11,764)
Interest Expense and Fiscal Charges	(2,009)	0	0	(2,009)
O.W.D.A. Loan Retirement	(28,375)	0	0	(28,375)
Other Non-Operating Revenue	0	0	71,576,819	71,576,819
Other Non-Operating Expense	(85,626)	0	(71,727,741)	(71,813,367)
Total Non-Operating Receipts (Disbursements)	255,480	0	(150,922)	104,558
Income (Loss) before Transfers/Advances	(242,419)	12,395	34,814	(195,210)
Transfers In	75,000	0	0	75,000
Advances In	150,000	0	0	150,000
Advances Out	(43,500)	0	0	(43,500)
Net Change in Fund Cash Balances	(60,919)	12,395	34,814	(13,710)
Fund Cash Balances, January 1	289,467	465,035	972,803	1,727,305
Fund Cash Balances, December 31	$228,548	$477,430	$1,007,617	$1,713,595

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

1. Summary of Significant Accounting Policies

A. Description of the County

Harrison County (the County), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operated under the direction of a three-member elected Board of County Commissioners. A county auditor and county treasurer, both of whom are elected, are responsible for the fiscal control of the resources of the County which are maintained in the funds below. Other officials elected by the voters of the County that manage the County's operations are the county recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, one common pleas judge, and a county court/probate/juvenile judge. Although these elected officials manage the internal operations of their respective departments, the Board of County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting authority, and the chief administrators of the public services of the County. Services provided by the County include general government, both executive and judicial, law enforcement, public works, public safety, health, welfare, conservation, and maintenance of highways, roads, and bridges. Taxes are levied, collected, and distributed to the schools, townships, municipalities, and appropriate County funds.

For financial reporting purposes, the County's cash basis combined statements include all funds, agencies, boards, commissions, and departments for which the County is financially accountable. Management believes the financial statements included in this report represent all of the funds, agencies, boards, commissions, and departments of the County over which the County has the ability to exercise direct operational control.

The County serves as the fiscal agent but is not financially accountable for the District Board of Health and the Soil Conservation Services and their operations are not fiscally dependent on the County. Accordingly, the above named organizations are excluded from the accompanying financial statements and each is subject to a separate audit.

The County is involved with the following organization, which is defined as a jointly governed organization. Additional financial information concerning the jointly governed organization is presented in Note 12.

Belmont, Carroll, Harrison and Jefferson Counties Council of Governments

The County is associated with the following organization, which is a public entity pool. Additional information concerning the pool is presented in Note 13.

County Risk Sharing Authority, Inc. (CORSA)

B. Accounting Basis

Although required by Ohio Administrative Code § 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles, the County chooses to prepare its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual financial reports in accordance with generally accepted accounting principles. The basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

1. Summary of Significant Accounting Policies (Continued)

B. Accounting Basis (Continued)

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

C. Deposits and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts and disbursements, respectively. Certificates of deposits are valued at cost.

D. Fund Accounting

The County maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

1. Governmental Fund Types:

Governmental funds are those through which most governmental functions of the county are financed. The following are the County's governmental fund types:

General Fund – The General Fund is the operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific resources (other than trusts or major capital projects) that are legally restricted to expenditure for specific purchases.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. According to governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service funds might also be used to account for the payment of long-term debt of proprietary funds and the short-term debt of both governmental and proprietary funds.

Capital Project Funds – The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Permanent Funds - These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Proprietary Funds

Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. The following are the County's proprietary fund types:

Enterprise Funds – Enterprise funds are used to account for County activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds – Internal Service funds are used to account for the County's self-insurance program for employee dental, eye and life insurance benefits that are financed by the County and its participating employees.

3. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Agency funds are custodial in nature and are used to hold resources for individuals, organizations or other governments, the County's fiduciary funds are all agency funds.

E. Budgetary Process

1. Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in Note 4 do not include January 1, 2018 unencumbered fund balances. However, these fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation must be passed by April 1 or each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations which have set forth amounts for each office,

E. Budgetary Process (Continued)

3. Appropriations (Continued)

department, division, and within each of these amounts appropriated for personal services, and appropriations may not exceed estimated resources.

4. Encumbrances

The Ohio Revised Code requires the County to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

Fixed assets acquired or constructed from general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

H. Fund Balance

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

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

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions). Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

1. Summary of Significant Accounting Policies (Continued)

H. Fund Balance (Continued)

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

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

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.

I. Operating Receipts and Disbursements

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts are those receipts that are generated directly from the primary activity of the proprietary funds. For the county, these receipts are Public Transit and County Water charges for services. Operating disbursements are necessary costs incurred to provide the good or service that are the primary activity of the fund. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

J. Total Columns on Financial Statements

Total columns on the financial statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. Deposits and Investments

Monies held by the County are classified by State Statute into two categories: active and inactive. Active monies are public monies determined to be 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.

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

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State. Additionally, all investments, unless noted otherwise below, must mature within 5 years from the date of settlement:

1. United States obligations or any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Stripped principal or interest obligations are not permitted. Except, Federally-issued or Federally-guaranteed stripped principal or interest obligations are permitted;
3. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities must be direct issuances of federal government agencies or instrumentalities;
4. Time certificates of deposit or savings or deposit accounts, including passbook accounts, in any eligible institution mentioned in Ohio Rev. Code § 135.32;
5. Certificate of Deposit Account Registry Services (CDARS) or similar programs meeting Ohio Rev. Code § 135.353 requirements;
6. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
7. 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 Ohio Rev. Code § 135.143(A)(1), (2), or (6) and repurchase agreements secured by such obligations, if purchased from eligible institutions mentioned in Ohio Rev. Code § 135.32;
8. United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States; bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality or commercial paper rated in the highest category by two standard rating services;
9. The Ohio Subdivision's Fund (STAR Ohio) as provided in Ohio Rev. Code § 135.45;
10. Securities lending agreements with any eligible institution mentioned in Ohio Rev. Code § 135.32 that is a member of the Federal Reserve System or Federal Home Loan Bank, or with any recognized U.S. government securities dealer, under the terms of which agreements in the investing authority lends securities and the eligible institution agrees to simultaneously exchange similar securities described in Ohio Rev. Code § 135.35(A)(1) or (2) or cash or both securities and cash, equal value for equal value;

2. **Deposits and Investments (Continued)**

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

    a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
    b. Bankers acceptances of banks that are insured by the federal deposit corporation and that mature not later than 180 days after purchase.
12. Up to fifteen per cent of the county's total average portfolio in notes issued by corporations incorporated under U.S. law and that operate within the United States, or by depository institutions doing business under U.S. authority or any state's authority, and that operate within the United States, provided that the notes are rated in one of the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
13. Up to 2% of the county's total average portfolio in the debt of foreign nations, if rated at the time of purchase in the three highest categories by two nationally recognized standard rating services, the U.S. government recognizes it diplomatically, all interest and principal shall be denominated and payable in United States funds, the foreign government guarantees the debt and investments must mature within 5 years from the date of settlement;
14. Written repurchase agreements with any eligible institution mentioned in Ohio Rev. Code § 135.32 or any eligible dealer pursuant to Ohio Rev. Code § 135.35(J), under the terms of which agreement the investing authority purchases, and the eligible institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions (D)(1) to (5) of § 135.18, except letters of credit described in division § 135.18(D)(2) are not permitted for repurchase agreements. The market value of securities subject to an overnight repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by at least 2%. A written repurchase agreement shall not exceed 30 days and the value of the securities must exceed the principal value by at least 2% and be marked to market daily.

Agreements by which the investing authority agrees to sell securities owned by the county to a purchaser and agrees with that purchaser to unconditionally repurchase those securities and investments in derivatives are prohibited.

Investments must be purchased with the expectation that they will be held to maturity.

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

2. Deposits and Investments (Continued)

Deposits:

Custodial credit risk is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are the possession of an outside party. At year ended December 31, 2018, the County's entire bank balance was collateralized through the Ohio Pooled Collateral System and was not subject to custodial credit risk.

Investments:

Investments are reported at cost. As of December 31, 2018, the County had the following investments:

Measurement/ Investment	Measurement Amount	Maturity	Rating	Percent of Total Investments
Commercial Paper	$1,471,648	Less than one year	A-1	29.41%
First American Government Obligation Fund	27,382	Less than one year	AAA	0.54%
Federal Home Loan Mortgage Corporation Note	545,000	Less than three years	AA+	10.89%
Federal National Mortgage Association Notes	619,877	Less than three years	AA+	12.39%
Federal Farm Credit Note	499,700	Less than three years	AA+	10.00%
Negotiable Certificates of Deposit	1,839,642	Less than five years	N/A	36.77%
Total Investments	$5,003,248			100.00%

Interest Rate Risk The County's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The credit ratings for the County's securities are listed above. Ohio law requires money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

3. Legal Compliance

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

4. Budgetary

Budgetary activity, excluding advances, for the year ending December 31, 2018, follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$8,001,319	$8,220,455	$219,136
Special Revenue	17,886,178	19,278,534	1,392,356
Capital Projects	1,629,000	1,297,048	(331,952)
Permanent	1,500	2,211	711
Enterprise	976,386	1,010,269	33,883
Internal Service	35,160	35,355	195
Total	$28,529,543	$29,843,872	$1,314,329

2018 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$8,501,204	$7,673,173	$828,031
Special Revenue	21,831,810	17,140,043	4,691,767
Capital Projects	1,100,000	768,852	331,148
Permanent	7,135	0	7,135
Enterprise	1,401,722	1,177,688	224,034
Internal Service	22,500	22,960	(460)
Total	$32,864,371	$26,782,716	$6,081,655

Contrary to Ohio Rev. Code § 5705.39, appropriations exceeded estimated resources in the DJFS Public Assistance, Gas Tax and County Water Funds by $550,005, $502,023 and $88,000, respectively. Also, contrary to Ohio Rev. Code § 5705.41(B), budgetary expenditures exceeded appropriation authority in the Eye Insurance Fund by $786.

5. Property Tax

Real Property taxes are levied on assessed values which equal 35% of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2017.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually.

5. Property Tax (Continued)

If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal year ended December 31, 2018, was $14.42 per $1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective rate was $10.65 per $1,000 of assessed valuation for real property classified as residential/agricultural and $14.18 per $1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the County by the State of Ohio.

The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real Property Tax	
Residential / Agricultural / Mineral	$415,011,580
Commercial / Industrial	42,469,990
Public Utilities	1,417,721
Tangible Personal Property	
Public Utilities	298,455,330
Total Valuation	$757,354,621

The Harrison County Treasurer collects property tax on behalf of all taxing districts within the County. The Harrison County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collection of the taxes and remittances of them to the taxing districts are accounted for in various agency funds of the County.

6. Capital Lease

The County currently has a lease-purchase agreement to finance the construction of a radio tower and purchase the related equipment. The lease agreement meets the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Payments made on the lease are included in Note 7, debt obligations.

6. Capital Lease (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of December 31, 2018:

Year Ended December 31:	Amount
2019	$152,920
2020	152,921
Total Minimum Lease Payments	$305,841
Less: Amount representing interest/late fees	12,808
Total	$293,033

7. Debt Obligations

Debt outstanding at December 31, 2018, consisted of the following:

	Principal	Interest Rate
General Obligation Bonds	$193,974	5.6-5.75%
Ohio Public Works Commission Loans	386,318	0.00%
Ohio Water Development Authority Loans	227,374	0-3.95%
Lease (See Note 6)	293,033	2.90%
Total	$1,100,699	

The proceeds of the outstanding general obligation bonds were used for the renovation and improvement of the new government center building, the human services building, construction of a county garage, and purchase of road equipment. General obligation bonds are direct obligations of the County for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the County.

Proceeds from the Ohio Public Works Commission notes were used by County Engineer for bridge replacements, county roads resurfacing, water lines and culvert replacements. The notes are direct obligations of the County for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the County.

The Ohio Water Development Authority (OWDA) loans are for utility construction projects that include water quality enhancements and pollution control measures. Loan proceeds were used to upgrade the Tippecanoe Wastewater system, county wide waterline extensions and a storage yard cleanup of hazardous materials. Except for the loan for the storage yard cleanup, which is paid with gasoline tax monies, the amounts outstanding as of December 31, 2018 are expected to be repaid from charges for services collected. The County has set water rates sufficient to cover OWDA debt service requirements.

7. Debt Obligations (Continued)

The annual requirements to amortize all debt outstanding as of December 31, 2018, including interest, are as follows:

Year Ending December 31:	Ohio Public Works Commission	OWDA Loans	General Obligation Bonds	Leases
2019	$74,646	$57,311	$67,400	$152,920
2020	73,142	49,311	67,400	152,921
2021	66,057	49,311	67,400	0
2022	57,395	36,319	16,772	0
2023	46,228	17,874	0	0
2024-2028	68,850	39,916	0	0
Total	$386,318	$250,042	$218,972	$305,841

8. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries and natural disasters.

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty-six members (see Note 13).

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

The County pays the State Worker’s Compensation System a premium based on a rate per $100 of employees compensation. This rate is calculated based on accident history and administrative costs.

Health Care Insurance

The County provides medical/surgical insurance benefits to its employees through The Health Plan. The employees share the cost of the monthly premium with the Board of Commissioners. Vision and dental insurance is provided by the County to employees.

Life Insurance

The County provides life insurance of $15,000 to each employee under the age of 65. For employees aged 65 and older, the County provides life insurance at a reduced rate of $7,500 per employee.

9. Permissive Sales and Use Tax (Piggyback Sales Tax)

A County levied tax of one and one-half percent (1.5%) is applied on the storage, use, or other consumption, in the county, of motor vehicles, and on the storage, use, or other consumption, in the county, of tangible personal property. The County provides for the following breakdown: 75% of the total proceeds, less $5,617 per month for the repayment of the government center debt, are general fund revenue to be appropriated for general operating expenses; 17% of the proceeds are capital projects fund revenue to be appropriated for capital improvements;

9. Permissive Sales and Use Tax (Piggyback Sales Tax) (Continued)

0.5% of the proceeds are capital projects fund revenue to be appropriated for vehicle fleet, 2.5% of the proceeds are capital projects fund revenue to be appropriated for the government center, 3% of the proceeds are capital projects fund revenue to be appropriated for infrastructure, 1% of the proceeds are capital projects fund revenue to be appropriated for the justice center and recreational purposes. Total permissive sales and use tax (piggyback sales tax) receipts collected in 2018 amounted to $2,953,842.

10. Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: Traditional Pension Plan, Member-Directed Plan and Combined Plan.

The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan.

The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

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. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-6701 or (800)222-7377.

For the year ended December 31, 2018, the members of all three plans, except for those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 13 percent of their annual covered salary; members in public safety contributed 12 percent. The County's contribution rate for pension benefits for 2018 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 18.1 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2018, 2017, 2016 and 2015 were $1,312,957, $1,242,270, $1,146,053 and $1,035,065, respectively.

10. Defined Benefit Pension Plan (Continued)

State Teachers Retirement System

Certified teachers employed by the school for the Board of Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plans: Defined Benefit (DB) Plan, Defined Contribution (DC) Plan and Combined Plan.

The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor.

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 decisions are made by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to pay down past and current obligations for members participating in the defined benefit plan. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

The Ohio Revised Code provides statutory authority for County and employee contributions of 14% and 14%, respectively. The contribution requirements of plan members and the County are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers.

The County's contribution to the STRS of Ohio for the years ended December 31, 2018, 2017, 2016 and 2015 was $18,390, $16,171, $15,990 and $15,257, respectively.

11. Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan-a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan-a defined contribution plan; and the Combined Plan a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

11. Post Employment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans.

Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-employment health care coverage, aged and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefits 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.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 800-222-7377.

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contributions to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2018, state and local employers contributed at a rate of 14 percent of covered payroll and public safety and law enforcement employers contributed at 18.1 percent.

The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. Effective 2018, the portion of employer contributions allocated to the healthcare was decreased to 0 percent for both plans, as recommended by the OPERS actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree of their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The County's contributions for health care to the OPERS for the years ending December 31, 2018, 2017, 2016 and 2015 were $0.00, $12,423, $22,921 and $20,701, respectively, which were equal to the required contributions for each year.

11. Post Employment Benefits (continued)

State Teachers Retirement System (STRS)

Plan Description - The County participate 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 authorized 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. As the STRS Board voted to discontinue an allocation to the health care fund effective July 1, 2014, the County's contribution to postemployment health care for 2018 was $0.

12. Jointly Governed Organization

Belmont, Carroll, Harrison and Jefferson Counties Council of Governments

The Belmont, Carroll, Harrison and Jefferson Council of Governments was created to establish the operating and administrative procedures and to direct funding within the Workforce Investment Area as required by the Workforce Investment Act of 1998. The Council of Governments is comprised of four voting members, one designated from each County, each of whom shall be a duly elected County Commissioner, and may include ex-officio members, representatives from the Department of Job and Family Services of the member counties, and the Chairperson of the Workforce Investment Board. The Board exercises total control over the operations of the Council including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund. During 2018, the County made no contributions to the Council.

13. Public Entity Pool

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member Counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member Counties are eligible to serve on the Board. No County may have more than one representative on the Board at any time. Each member County's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligations to make coverage payments to CORSA. The participating Counties have no responsibility for the payment of certificates.

13. Public Entity Pool (Continued)

The County does not have an equity interest in or a financial responsibility for CORSA. The County's payment for insurance to CORSA in 2018 was $136,446.

14. Contingent Liabilities

Amounts grantor agencies pay to the County are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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HARRISON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Job and Family Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance P	10.561	G-1819-11-5750	$226,987
Total U.S. Department of Agriculture			226,987
U.S. Department of Housing and Urban Development			
Passed through Ohio Development Services Agency			
State Community Development Block Grant-State's Program	14.228	B-F-16-1BE-1	10,000
		B-F-17-1BE-1	133,900
State Community Development Block Grant - CHIP Grant		B-C-17-1BE-1	41,770
		S-C-17-1BE-2	17,990
Total State Community Development Block Grants-State's Program			203,660
Home Investment Partnerships Program	14.239	B-C-17-1BE-2	89,048
Total U.S. Department of Housing and Urban Development			292,708
U.S. DEPARTMENT OF JUSTICE			
Passed Through Ohio Attorney General			
Crime Victim Assistance	16.575	2018-VOCA-109857395	35,596
		2019-VOCA-132132502	11,173
Total U.S. Department of Justice			46,769
U.S. DEPARTMENT OF LABOR			
Passed Through Workforce Investment / Innovation and Opportunity Act Area 16			
WIOA Cluster:			
WIA / WIOA Adult Program	17.258	N/A	86,354
WIA / WIOA Youth Activities	17.259	N/A	53,058
WIA / WIOA Dislocated Worker Formula Grants	17.278	N/A	27,047
Total WIOA Cluster			166,459
WIA National Emergency Grants	17.277	N/A	62,454
Total U.S. Department of Labor			228,913
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Transportation			
Formula Grants for Rural Areas	20.509	OH-18-X036	193,486
Total U.S. Department of Transportation			193,486
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Special Education Cluster (IDEA):			
Special Education-Preschool Grants (IDEA Preschool)	84.173	2018	6,889
Total U.S. Department of Education/Special Education Cluster (IDEA)			6,889
U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION			
Passed Through Ohio Secretary of State			
HAVA Election Security Grant	90.404	N/A	7,750
Total U.S. Department of Election Assistance Commission			7,750

HARRISON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

FEDERAL GRANTOR *Pass Through Grantor* **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Job and Family Services			
TANF Cluster			
Temporary Assistance for Needy Families	93.558	G-1819-11-5750	$719,324
Total TANF Cluster			719,324
CCDF Cluster			
Child Care and Development Block Grant	93.575	G-1819-11-5750	8,465
Total CCDF Cluster			8,465
Social Services Block Grant	93.667	G-1819-11-5750	201,784
Medicaid Cluster			
Medical Assistance Program	93.778	G-1819-11-5750	463,556
Total Medicaid Cluster			463,556
Promoting Safe and Stable Families	93.556	G-1819-11-5750	3,176
Foster Care_Title IV-E	93.658	G-1819-11-5750	482,556
Adoption Assistance	93.659	G-1819-11-5750	86,514
Chafee Foster Care Independence Program	93.674	G-1819-11-5750	2,508
Child Support Enforcement	93.563	G-1819-11-5750	464,151
Passed Through Ohio Department of Developmental Disabilities			
Social Services Block Grant	93.667	N/A	14,433
Total U.S. Department of Health and Human Services			2,446,467
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Ohio Emergency Management Agency			
Emergency Management Performance Grants	97.042	EMC-2018-EP-00008-S01	35,671
Total U.S. Department of Homeland Security			35,671
Total Expenditures of Federal Awards			$3,485,640

The accompanying notes are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Harrison County (the County) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

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

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OHIO AUDITOR OF STATE
KEITH FABER

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

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of Harrison County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements and have issued our report thereon dated November 18, 2019, wherein we issued an adverse opinion on the County's financial statements because the County did not follow accounting principles generally accepted in the United States of America as required by Ohio Administrative Code § 117-2-03, therefore, we were unable to express an opinion on the Schedule of Expenditures of Federal Awards.

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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and significant deficiencies.

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 a 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. We consider finding 2018-004 described in the accompanying Schedule of Findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2018-005 and 2018-006 described in the accompanying Schedule of Findings to be significant deficiencies.

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 2018-001 through 2018-003.

County's Response to Findings

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

November 18, 2019

OHIO AUDITOR OF STATE
KEITH FABER

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

Harrison County
100 West Market Street
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Harrison 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 the County's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Harrison County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying Schedule of Findings as item 2018-007.

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

November 18, 2019

HARRISON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Adverse
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	TANF Cluster – CFDA #93.558 Medicaid Cluster – CFDA #93.778 SNAP Cluster – CFDA #10.561
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2018-001

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

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

FINDING NUMBER 2018-001 (Continued)

Noncompliance (Continued)

The County prepared financial statements in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County.

To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response: See Corrective Action Plan on page 40.

FINDING NUMBER 2018-002

Noncompliance

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purpose for which such fund is established. Further, Auditor of State Audit Bulletin 2005-003 indicates that it is the Auditor of State's opinion that a government cannot use court computerization fees to compensate court employees who use a computer in their ordinary duties. Rather, the Auditor of State believes the Ohio Legislature intended that such fees are to be used to procure and maintain computer systems or to computerize courts. This would include procuring services for installing, updating, and maintaining court computer systems (e.g., computer programmers or computer engineers). These services may be provided by employees or staff of the court and, in these circumstances, fees could be expended for employee or staff expenses as properly documented to demonstrate the percentage of time spent on such activities. However, employees and staff should not be compensated from computerization fees when using the court's computer systems as end-users.

Harrison County Court paid $21,408 in benefits including eye and life insurance, as well as hospitalization, for a County Court employee from the Legal Fees - County Court Computerization Fund (C35) throughout 2018.

The Court was not aware these payroll charges to the technology fund were not allowable. As a result, an adjustment has been agreed to and made by the County to reallocate these charges to the General Fund. This adjustment is reflected in the accompanying financial statements and was posted to the accounting records.

The Court should implement procedures to ensure the computerization fund expenditures are allowable per Auditor of State Audit Bulletin 2005-003.

Officials' Response: See Corrective Action Plan on page 40.

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

FINDING NUMBER 2018-003

Noncompliance

Ohio Rev. Code § 5705.39 prohibits a political subdivision from making a fund appropriation in excess of the total estimated resources available for expenditure from that fund as certified by the budget commission on the Amended Official Certificates of Estimated Resources. This section also requires the County to obtain a County Auditor's Certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

In 2018, the County approved appropriations which exceeded estimated resources in the following funds:

Fund	Approved Appropriations	Estimated Resources	Variance
DJFS Public Assistance (H00)	$3,144,600	$2,594,595	($550,005)
Gas Tax (K00)	4,187,000	3,684,977	(502,023)
County Water (U41)	546,222	458,222	(88,000)

Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative fund balances.

The County should ensure that the total appropriations for each fund are within the estimated resources for each fund to avoid possible deficit spending.

Officials' Response: See Corrective Action Plan on page 40.

FINDING NUMBER 2018-004

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.

The County should maintain an accounting system and accounting records sufficient to enable the County to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The County did not always record receipts and disbursements into accurate classifications on the financial statements. Also, there was one fund that was not classified in the correct fund type on the financial statements.

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

FINDING NUMBER 2018-004
(Continued)

Material Weakness (Continued)

The following errors were noted:

- An employee death benefit payment in the amount of $7,500 was classified as an Other Non-Operating Expense, rather than Contract Services - Operating Expense in the U50 Fund (Life Insurance).
- Employee contributions totaling $23,570 made to the U51 Fund (Eye Insurance) were improperly classified as Other Non-Operating Revenue, rather than Charges for Services.
- Expenditures in the County's Z50 (Emergency Management Services) Fund in the amount of $106,894 were improperly posted as Human Services, rather than Public Safety.
- Expenditures in the County's T54 (Block Grant) Fund in the amounts of $55,000 and $58,900 were improperly posted as Public Safety, rather than Public Works and General Government, respectively.
- Receipts and ending fund balance in the A30 (County Medicaid Sales Tax) Fund in the amount of $221,365 was improperly reported as a Special Revenue Fund, rather than in the General Fund.
- Real estate taxes in the amount of $198,962 in the U91 (911) Fund were improperly posted to Charges for Services rather than Property and Other Local Taxes.
- Expenditures in the N05 (Chip Grant) Fund in the amount of $149,960 were improperly charged to Public Works and should have been charged to General Government.
- A grant in the amount of $108,313 in the T45 (Local Match) Enterprise Fund was improperly posted as Charges for Services and should have been Grants.

Also portions of the ending fund balance for the General Fund were improperly classified as follows:

- $129,862 was improperly classified as Restricted, rather than as Nonspendable.
- $2,342,116 was improperly classified as Unassigned, rather than as Assigned due to subsequent year appropriations exceeding estimated receipts.

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

In addition to the adjustments listed above, we also identified additional misstatements ranging from $3,500 to $1,521,777 that we have brought to the County's attention.

The County did not have a process in place to ensure transactions/funds are accurately reported on the financial statements.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the County's financial position and operations.

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

FINDING NUMBER 2018-004
(Continued)

Material Weakness (Continued)

The County should take the necessary steps to ensure that all receipts, expenditures, and fund balances are properly presented and disclosed in the County's financial statements. Also, the County should ensure that funds are properly classified in the correct fund type on the annual financial report. The County can refer to Auditor of State Bulletin 2011-004 to assist them in Fund Balance Reporting and Governmental Fund Type Definitions.

Officials' Response: See Corrective Action Plan on page 40.

FINDING NUMBER 2018-005

Significant Deficiency

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The County Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis. The County Treasurer should prepare accurate reconciliations of the County's bank balances to the County's book balances monthly. Variances should be investigated to determine the nature of the variance, and corrections should be posted.

At December 31, 2018, a variance of $2,180 was noted between the County's book balance and bank balance. A review of reconciliations throughout 2018 revealed variances ranging from $28 in March and April to $7,051 in August.

Our test of the December 31, 2018 reconciliation indicated the County was not accurately reconciled due to several errors regarding reconciling items:

- We noted one instance where an Electronic Funds Transfer (EFT) that had been posted to the County's ledgers was being improperly carried as an outstanding EFT on the reconciliation, and three instances where outstanding EFT's that should have been reflected on the reconciliation were not properly included.
- We also noted one instance where a check that was returned due to a positive pay file error was being improperly reflected as outstanding on the reconciliation when it had previously been voided in the County's accounting system.

Failure to reconcile monthly increases the possibility that the County will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

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

FINDING NUMBER 2018-005
(Continued)

Significant Deficiency (Continued)

The Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. The Treasurer should maintain schedules of items, such as outstanding EFT's, in order to support the amounts on the monthly reconciliations. These schedules then can be updated each month to allow for easier follow-up on these reconciliation items.

Officials' Response: See Corrective Action Plan on page 40.

FINDING NUMBER 2018-006

Significant Deficiency

Public Transit should maintain an accounting system and accounting records sufficient to enable the County to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The following issues were noted:

- Numerous billing errors occurred including incorrect billing rate on Transit's Trip Schedule provided to drivers, trips where the In-County rate was charged rather than the In-Village rate, and over billing/under billing for mileage and wait times.
- One instance where the pay-in did not agree to Public Transit's Validation Report, as a fare ticket was purchased and not noted on the Validation Report.
- No attempt is made to reconcile the amount billed to the County Department of Job and Family Services (DJFS) and the amount they paid Public Transit. No follow-up is made on services not paid for by the DJFS.
- Public Transit's system does not document when fare passes are used by customers, or when a customer's trip was pre-paid. Therefore, it is the responsibility of Public Transit's drivers and Director to manually correct the driver's manifest report and/ or Validation Report when a fare pass was used or a customer was pre-paid, which is subject to human error. Several instances were noted where these occurrences were not properly corrected on the system reports.

A lack of internal controls resulted in the billing errors noted above. Improperly billing for its services could result in overcharging or undercharging patrons and could impact Public Transit's ability to finance its operations.

Public Transit should establish internal controls to ensure patrons are charged the proper amounts. Also, Public Transit officials should meet with DJFS to determine the variances between amounts billed to DJFS and the amounts paid by DJFS and document the reasons for the variances.

Officials' Response: See Corrective Action Plan on page 40.

3. FINDING FOR FEDERAL AWARDS

Prevention, Retention and Contingency (PRC) Program Applications

Finding Number:	**2018-007**
CFDA Number and Title:	**CFDA #93.558 TANF Cluster**
Federal Award Identification Number / Year:	**G-1819-11-5750**
Federal Agency:	**U.S. Department of Health and Human Services**
Compliance Requirement:	**Eligibility Requirement**
Pass-Through Entity:	**Ohio Department of Jobs and Family Services**
Repeat Finding from Prior Audit?	**No**

Significant Deficiency

The Harrison County Department of Job and Family Services (DJFS) Prevention, Retention and Contingency Program (PRC) Plan states, in part, that all PRC assistance group members must complete the Prevention, Retention and Contingency Program (PRC) Application to request and be authorized to receive PRC service benefits.

We found that of 11% of expenditures tested the DJFS did not properly retain a participant's PRC application within the case files. In addition, documents which provided support to the PRC application, such as income verification, were not retained.

The County did not have a process in place to ensure their PRC participant case files contained support such as the PRC application, income verification, etc.

The inability to retain participant applications and appropriate supporting documentation results in eligibility not being able to be verified. This could result in ineligible individuals receiving program funds, which could lead to possible questioned costs and jeopardize future federal funding.

The Harrison County Department of Job and Family Services should ensure that all PRC applications, as well as any documents needed to verify information provided on the application, are properly retained in the participant's case file.

Officials' Response: See Corrective Action Plan on page 40.

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HARRISON COUNTY
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Commissioners
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HARRISON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Ohio Revised Code §321.23 finding for adjustment and significant deficiency involving loan being issued by Treasurer	Corrected.	The County has discontinued making loans. Engineer's Office also paid off loan during 2018.
2017-002	Ohio Admin. Code §117-2-03(B) noncompliance for not preparing financial statements in accordance with generally accepted accounting principles.	Not Corrected.	The Auditor's Office does not have the staff or the appropriation to comply with this citation.
2017-003	Ohio Revised Code §5705.39 noncompliance for making a fund appropriation in excess of the total estimated resources available for expenditure from that fund.	Not Corrected.	The County will try to monitor all funds to make sure we are in compliance and not overspending moving forward.
2017-004	Ohio Revised Code §5705.41(B) noncompliance for making an expenditure of money without having been appropriated first.	Not Corrected.	The County is now monitoring appropriations and expenditures roughly every quarter to make sure each fund is in compliance with the finding.
2017-005	Material Weakness for significant errors in recording receipts, disbursements and fund balances into accurate funds/line items on the financial statements.	Not Corrected.	The County will try to monitor all funds to make sure we are in compliance. Offices were told numerous times about the accuracy of reporting receipts/monies to funds/line items.
2017-006	Significant deficiency for improper posting of approved permanent appropriations to the accounting system.	Corrected.	The County monitored appropriations to make sure all approved appropriations are properly reflected in the accounting system.
2017-007	2 CFR Part 200.510(b), Subpart F noncompliance and material weakness for significant errors in the County-prepared Schedule of Expenditures of Federal Awards.	Not Corrected.	An example was provided to the departments in the past to assist them in properly capturing the department's federal programs. We will continue to work with departments to improve the accuracy of information they provide.
2017-008	Significant Deficiency for failing to have DJFS Work Experience Program participants complete a PRC application every 90 days in accordance with the DJFS PRC Plan.	Corrected.	The County DJFS has been working to improve in this area.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2018

Finding Number:	2018-001
Planned Corrective Action:	Local Gov't Services has been contacted for assistance.
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-002
Planned Corrective Action:	Employee's Pay Fund has been changed for future pays.
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-003
Planned Corrective Action:	Budget Process will be more involved.
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-004
Planned Corrective Action:	Internal Controls have been improved for classification
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-005
Planned Corrective Action:	Working with Local Government Services to resolve
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-006
Planned Corrective Action:	New Internal Controls are being established
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

Finding Number:	2018-007
Planned Corrective Action:	New Document Scanning Process Established
Anticipated Completion Date:	December 31, 2019
Responsible Contact Person:	Allison Anderson, County Auditor

OHIO AUDITOR OF STATE
KEITH FABER

HARRISON 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
DECEMBER 3, 2019