SENECA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 did not audit the financial statements of Seneca Re-Ad Industries, Inc., which represents 81.6 percent, 105.7 percent, and 58.3 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Seneca Re-Ad Industries, Inc., is based solely on the report of other auditors. 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. The other auditors audited the financial statements of Seneca Re-Ad Industries, Inc., a discretely presented component unit, in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.*

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca County, Ohio, as of December 31, 2018, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Maintenance and Repair and Seneca County Opportunity Center funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the County's basic 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 not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 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

September 16, 2019

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The management's discussion and analysis of Seneca County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The total net position of the County decreased $1,749,775, from December 31, 2017's restated net position. The net position of the governmental activities decreased $1,420,182, which represents a 1.55 percent decrease over the restated net position at December 31, 2017; meanwhile, the net position of business-type activities decreased $329,593 or 7.97 percent from December 31, 2017's restated net position. The County's business-type activities consist of Emergency Medical Services and the County Sewer District operations.

- General revenues accounted for $22,105,880 or 45.92 percent of total governmental activities revenue. Program specific revenues accounted for $26,032,450 or 54.08 percent of total governmental activities revenue.

- The County's governmental activities had $49,228,512 in expenses; $26,032,450 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $22,105,880 were not adequate to provide for these programs.

- The County's business-type activities had $1,445,695 in expenses; $773,472 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $12,630 were not adequate to provide for these programs.

- The General fund, the County's largest major governmental fund, had revenues and other financing sources of $19,103,831 in 2018, an increase of $243,569 or 1.29 percent from General fund revenues and other financing sources in 2017. The General fund had expenditures and other financing uses of $18,699,933 in 2018, an increase of $15,186 or 0.08 percent from 2017. The net effect of changes in revenues and expenditures contributed to the General fund balance increase of $403,898 or 5.68 percent from 2017 to 2018.

Using the Basic Financial Statements (BFS)

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

The statement of net position and the statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements illustrate how services were financed in the short-term, as well as what current resources remain for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the County, there are three major governmental funds. The General fund is the largest major fund.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did the County perform financially during 2018?" These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting, similar to accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position during the year. The change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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

> *Governmental activities* - Most of the County's programs and services are reported here, including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.
>
> *Business-type activities* - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the County's most significant funds.

The County's major governmental funds are the General fund, the Maintenance and Repair fund and the Seneca County Opportunity Center (SCOC) fund. The County's major enterprise funds are the Emergency Medical Services and County Sewer District.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

Proprietary Funds

The County maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Emergency Medical Services and County Sewer District operations.

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

The RSI contains information regarding the County's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and State Teachers Retirement System (STRS) net pension liability/net pension asset, net OPEB liability/net OPEB asset and the County's schedule of contributions to OPERS and STRS.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole.

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The table below provides a summary of the County's net position at December 31, 2018 and December 31, 2017. The net position at December 31, 2017 has been restated as described in Note 3A.

Net Position

	Governmental Activities 2018	Restated Governmental Activities 2017	Business-type Activities 2018	Restated Business-type Activities 2017	Total 2018	Restated Total 2017
Assets						
Current and other assets	$ 60,513,196	$ 60,306,332	$ 1,544,829	$ 1,477,980	$ 62,058,025	$ 61,784,312
Capital assets	85,222,971	83,868,444	5,788,256	6,149,857	91,011,227	90,018,301
Total assets	145,736,167	144,174,776	7,333,085	7,627,837	153,069,252	151,802,613
Deferred Outflows of Resources	6,797,635	11,441,183	133,159	235,108	6,930,794	11,676,291
Liabilities						
Long-term liabilities outstanding	45,450,917	40,823,993	3,494,297	3,423,237	48,945,214	44,247,230
Other liabilities	1,873,179	14,249,164	66,264	298,851	1,939,443	14,548,015
Total liabilities	47,324,096	55,073,157	3,560,561	3,722,088	50,884,657	58,795,245
Deferred Inflows of Resources	14,732,997	8,645,911	98,939	4,520	14,831,936	8,650,431
Net Position						
Net investment in capital assets	74,912,955	72,472,400	2,909,813	3,217,072	77,822,768	75,689,472
Restricted	21,806,991	26,271,821	159,388	159,388	21,966,379	26,431,209
Unrestricted	(6,243,237)	(6,847,330)	737,543	759,877	(5,505,694)	(6,087,453)
Total net position	$ 90,476,709	$ 91,896,891	$ 3,806,744	$ 4,136,337	$ 94,283,453	$ 96,033,228

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." For 2018, the County adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the County's proportionate share of each plan's collective:

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 75, the County is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from $103,797,254 to $91,896,891 for governmental activities and $4,341,934 to $4,136,337 for business-type activities.

Over time, net position can serve as a useful indicator of a government's financial condition. At December 31, 2018, the County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by $94,283,453. This amounts to $90,476,709 in the governmental activities and $3,806,744 in the business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 59.46 percent of total governmental and business-type assets. Capital assets include land and improvements, land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. The County's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets and amounted to $77,822,768 at December 31, 2018. Capital assets are used to provide services to citizens and are not available for future spending. Although the County's net investment in capital assets is reported net of related long-term obligations, it should be noted that the resources to repay the related debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2018, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the County's net position, $21,806,991 or 24.10 percent in the governmental activities and $159,388 or 4.19 percent in the business-type activities, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, which amounts to ($6,243,237) in the governmental activities and $737,543 in the business-type activities, may be used to meet the County's ongoing obligations to citizens and creditors.

General government expenses, which include legislative and executive and judicial programs, accounted for $11,606,785 or 23.58 percent of total governmental expenses. General government expenses were covered by direct charges to users, operating grants and contributions, and capital grants and contributions of $3,710,161, $265,913, and $15,140, respectively, in 2018. The County's largest program in 2018 was health, accounting for $10,391,991 or 21.11 percent of total governmental expenses. Health activities are provided mainly by the SCOC. Health activities expenses were funded by $2,786,610 in operating grants and contributions and $1,710,147 in charges for health services in 2018. Human services programs support the operations of Public Assistance, Victim Assistance, Veteran Services, and the Children Services Board. Human services expenses accounted for $8,850,203 or 17.98 percent of total governmental activities expenses. These expenses were funded by $288,720 in charges to users of services and $7,129,795 in operating grants and contributions in 2018. Public works expenses accounted for $8,407,144 or 17.08 percent of expenses and were offset by direct charges to users, operating grants and contributions, and capital grants and contributions of $501,108, $4,302,234, and $1,739,321, respectively. Public safety activities include the operations of the County sheriff, coroner, community corrections, homeland security, emergency management, and the Seneca County Youth Center. Public safety expenses accounted for $9,134,089 or 18.55 percent of total governmental activities expenses. These expenses were funded by $1,996,768 in charges to users of services and $1,265,058 in operating grants and contributions in 2018.

The County's direct charges to users of governmental services made up $8,206,904 or 17.05 percent of total governmental activities revenues. These charges include fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, income from the lease of property, and licenses and permits.

The State and federal government contributed to the County revenues of $16,071,085 in operating grants and contributions and $1,754,461 in capital grants and contributions. Operating grants and contributions are restricted to be used for specific County programs, while capital grants and contributions are restricted to be used for the construction or acquisition of facilities and other capital assets.

General revenues totaled $22,105,880 and amounted to 45.92 percent of total revenues. These revenues primarily consist of property and sales tax revenue of $17,315,573, or 78.33 percent of total general revenues in 2018. The other primary source of general revenues is unrestricted grants and entitlements of $3,210,256.

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SENECA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED
(Continued)

The table below shows the changes in net position for fiscal year 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3A.

Total program revenues	26,032,450	24,484,970	773,472	849,533	26,805,922	25,334,503
General revenues:						
Property taxes	8,507,655	8,569,368	-	-	8,507,655	8,569,368
Sales tax	8,807,918	8,720,824	-	-	8,807,918	8,720,824
Unrestricted grants	3,210,256	2,911,803	-	-	3,210,256	2,911,803
Contributions and donations	32,001	9,676	-	-	32,001	9,676
Investment earnings	527,459	370,417	3,614	2,668	531,073	373,085
Other	1,020,591	1,199,865	9,016	10,928	1,029,607	1,210,793
Total general revenues	22,105,880	21,781,953	12,630	13,596	22,118,510	21,795,549
Total revenues	48,138,330	46,266,923	786,102	863,129	48,924,432	47,130,052
Expenses						
Program expenses:						
General government						
Legislative and executive	8,777,003	8,108,198	-	-	8,777,003	8,108,198
Judicial	2,829,782	2,688,553	-	-	2,829,782	2,688,553
Public safety	9,134,089	8,395,489	-	-	9,134,089	8,395,489
Public works	8,407,144	6,512,520	-	-	8,407,144	6,512,520
Health	10,391,991	9,377,621	-	-	10,391,991	9,377,621
Human services	8,850,203	8,598,832	-	-	8,850,203	8,598,832
Conservation and recreation	218,538	178,910	-	-	218,538	178,910
Community and economic development	312,910	40,989	-	-	312,910	40,989
Other	-	4,679	-	-	-	4,679
Interest and fiscal charges	306,852	329,640	-	-	306,852	329,640
Emergency Medical Services	-	-	798,492	762,762	798,492	762,762
County Sewer District	-	-	647,203	609,916	647,203	609,916
Total expenses	49,228,512	44,235,431	1,445,695	1,372,678	50,674,207	45,608,109
Excess of revenues over expenses	(1,090,182)	2,031,492	(659,593)	(509,549)	(1,749,775)	1,521,943
Transfers	(330,000)	(330,000)	330,000	330,000	-	-
Change in net position	(1,420,182)	1,701,492	(329,593)	(179,549)	(1,749,775)	1,521,943
Net position at beginning of year (restated)	91,896,891	N/A	4,136,337	N/A	96,033,228	N/A
Net position at end of year	$ 90,476,709	$ 91,896,891	$ 3,806,744	$ 4,136,337	$ 94,283,453	$ 96,033,228

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $193,853 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of $1,106,119.

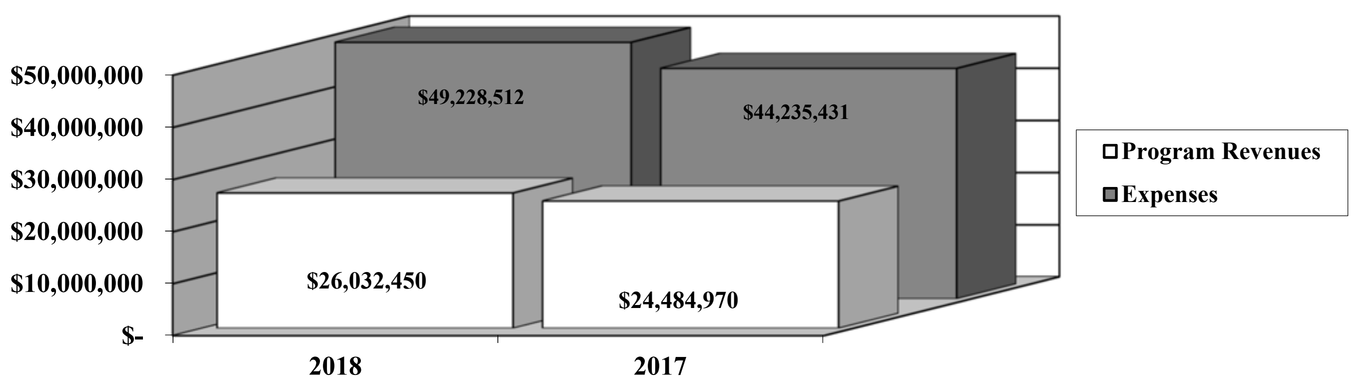
Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2018 program expenses under GASB 75	$ 49,228,512	$ 1,445,695
OPEB expense under GASB 75	(1,084,650)	(21,469)
2018 contractually required contributions	16,796	294
Adjusted 2018 program expenses	48,160,658	1,424,520
Total 2017 program expenses under GASB 45	44,235,431	1,372,678
Increase in program expenses not related to OPEB	$ 3,925,227	$ 51,842

Governmental Activities

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2018 and 2017. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements). The County is reliant upon general revenues to finance operations, as program revenues are not sufficient to cover total expenses.

Governmental Activities - Program Revenues vs. Total Expenses



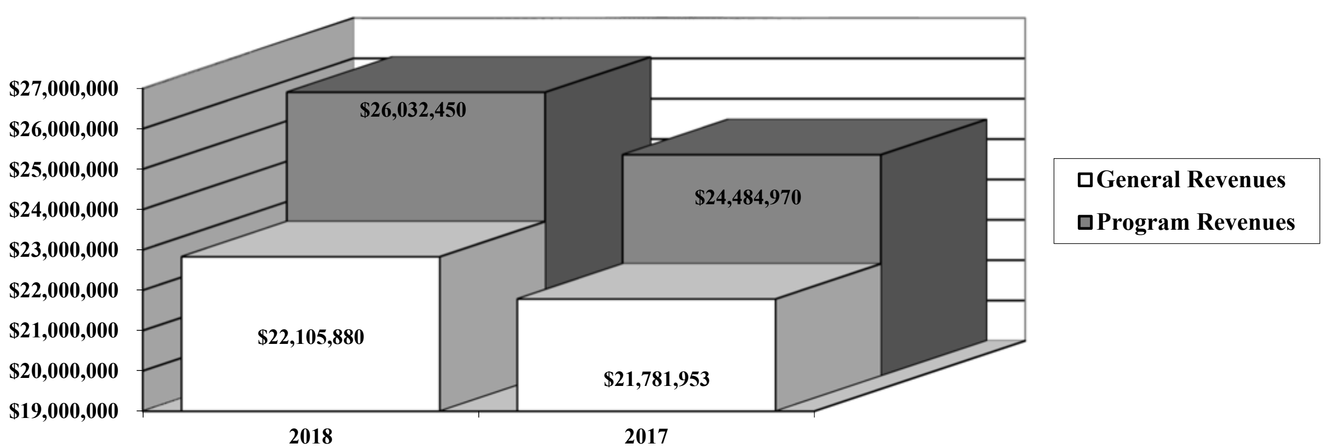
The table that follows presents the total and net costs of services, or the extent to which the County relies on general revenues to finance current operations, of the governmental activities for 2018 and 2017.

	Governmental Activities			
	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Program Expenses:				
General government				
Legislative and executive	$ 8,777,003	$ 6,083,888	$ 8,108,198	$ 5,174,300
Judicial	2,829,782	1,531,683	2,688,553	1,311,523
Public safety	9,134,089	5,872,263	8,395,489	5,773,951
Public works	8,407,144	1,864,481	6,512,520	537,206
Health	10,391,991	5,895,234	9,377,621	5,039,857
Human services	8,850,203	1,431,688	8,598,832	1,440,821
Conservation and recreation	218,538	186,018	178,910	134,002
Community and economic development	312,910	23,955	40,989	4,482
Other	-	-	4,679	4,679
Interest and fiscal charges	306,852	306,852	329,640	329,640
Total	$ 49,228,512	$ 23,196,062	$ 44,235,431	$ 19,750,461

Charges for services, operating grants and contributions, and capital grants and contributions totaling $26,032,450 were used to offset the general government expenses of the County. The remaining $23,196,062 in general government expenses was partially funded by property taxes, sales taxes and grants and entitlements not restricted to specific programs. The County's reliance upon general revenues for governmental activities is apparent, with 47.12 percent of expenses supported through taxes and other general revenues during 2018.

The graph below illustrates the County's dependence on general revenues.

Governmental Activities - General and Program Revenues

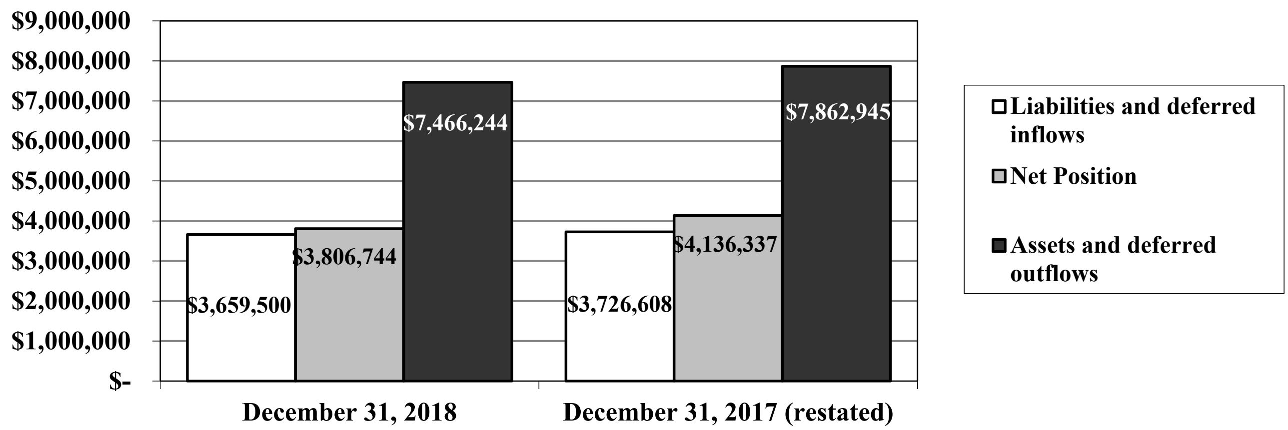


Business-Type Activities

The Emergency Medical Services and County Sewer District are the County's enterprise funds. These operations had program revenues of $773,472, general revenues of $12,630, transfers in of $330,000 and expenses of $1,445,695 for fiscal year 2018. The net position of the business-type activities decreased $329,593 during 2018.

The following graph illustrates the assets, liabilities, and net position of the County's business-type activities at December 31, 2018 and December 31, 2017. The net position at December 31, 2017 has been restated as described in Note 3A.

Net Position of Business - Type Activities



Financial Analysis of the Government's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of current resources and obligations. Such information is useful in assessing the County's financing requirements. In particular, fund balances serve as a useful measure of the County's net resources available for spending at yearend.

The County's governmental funds reported a combined fund balance of $40,723,848 at December 31, 2018, which is $463,094 less than last year's total of $41,186,942.

The schedule below indicates the fund balances as of December 31, 2018 and December 31, 2017 and the total change in fund balance during the year for all major governmental funds and the non-major governmental funds in the aggregate.

	Fund Balances December 31, 2018	Fund Balances December 31, 2017	Change
Major funds:			
General	$ 7,512,726	$ 7,108,828	$ 403,898
Maintenance and Repair	15,978,618	15,550,851	427,767
Seneca County Opportunity Center	10,523,592	8,801,975	1,721,617
Nonmajor governmental funds	6,708,912	9,725,288	(3,016,376)
Total	$ 40,723,848	$ 41,186,942	$ (463,094)

General Fund

The General fund is the primary operating fund of the County. During 2018, the County's General fund balance increased $403,898.

The table that follows assists in illustrating the revenues of the General fund.

Revenues	2018 Amount	2017 Amount	Percentage Change
Taxes	$ 10,669,572	$ 10,770,059	(0.93) %
Charges for services	4,251,684	4,253,332	(0.04) %
Licenses and permits	3,164	3,004	5.33 %
Fines and forfeitures	213,752	225,606	(5.25) %
Intergovernmental	2,896,147	2,535,312	14.23 %
Interest	425,035	220,551	92.72 %
Other	632,207	847,949	(25.44) %
Total	$ 19,091,561	$ 18,855,813	1.25 %

Total revenues increased $235,748 or 1.25 percent. Intergovernmental increased $360,835 or 14.23 percent due to an increase in grants received in 2018. Interest revenue increased $204,484 or 92.72 percent due to the County recording investments at cash value versus fair market value recorded on a GAAP basis. Other revenues of the General fund decreased $215,742 or 25.44 percent primarily due to a decrease in insurance reimbursements and miscellaneous receipts in 2018. All other revenues remained comparable to the prior year.

The table that follows assists in illustrating the expenditures of the General fund.

Expenditures	2018 Amount	2017 Amount	Percentage Change
General government:			
Legislative and executive	$ 6,175,648	$ 6,143,403	0.52 %
Judicial	2,228,578	2,189,515	1.78 %
Public safety	6,881,734	6,270,610	9.75 %
Public works	88,989	70,279	26.62 %
Health	120,436	120,524	(0.07) %
Human services	438,657	467,597	(6.19) %
Conservation and recreation	162,147	294,123	(44.87) %
Debt service	3,233	3,483	(7.18) %
Total	$ 16,099,422	$ 15,559,534	3.47 %

Total expenditures increased $539,888 or 3.47 percent. Conservation and recreation expenditures decreased $131,976 or 44.87 percent due to a decrease in contract services in recycling in 2018. Public works expenditures increased $18,710 or 26.62 percent due to an increase in highway engineer expenses in 2018. All other expenditures remained comparable to the prior year.

Maintenance and Repair Fund

The Maintenance and Repair fund, a major governmental fund, had revenues and other financing sources of $5,095,247 in 2018, an increase of $222,029 from 2017 revenues and other financing sources. The Maintenance and Repair fund had expenditures of $4,667,480 in 2018, an increase of $338,211 from 2017. The fund balance of the Maintenance and Repair fund increased $427,767 or 2.75 percent from 2017 to 2018.

Seneca County Opportunity Center (SCOC) Fund

The SCOC fund, a major governmental fund, had revenues of $11,491,423 in 2018, an increase of $8,170 from 2017. The SCOC fund had expenditures of $9,769,806 in 2018, an increase of $715,786 from 2017. The fund balance of the SCOC fund increased $1,721,617 or 19.56 percent from 2017 to 2018.

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially, the budget is the County's appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC; therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations may be adjusted accordingly.

Budgetary information is presented for the General fund, Maintenance and Repair fund, and SCOC fund.

In the General fund, final budgeted revenues and other financing sources of $17,959,414 were $699,102 higher than original budgeted revenues of $17,260,312. Actual revenues and other financing sources of $18,015,195 were higher than final budgeted revenues and other financing sources by $55,781 or 0.31 percent.

General fund final budgeted expenditures and other financing uses of $20,622,644 were $3,527,557 higher than original budgeted expenditures and other financing uses of $17,095,087. Actual expenditures and financing uses of $20,593,495 were $29,149 lower than final budgeted expenditures and financing uses.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2018, the County had $91,011,227 (net of accumulated depreciation) invested in land and improvements (land and improvements not being depreciated, such as road base infrastructure), land improvements, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Of this total, $85,222,971 was reported in the governmental activities and $5,788,256 was reported in the business-type activities.

The following table shows December 31, 2018 balances compared to December 31, 2017.

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and improvements	$ 21,133,107	$ 21,142,857	$ 26,243	$ 26,243	$ 21,159,350	$ 21,169,100
Construction in progress	835,256	12,668,653	-	-	835,256	12,668,653
Land improvements	413,526	452,929	-	-	413,526	452,929
Building and improvements	29,151,261	14,266,912	55,305	61,689	29,206,566	14,328,601
Machinery and equipment	2,785,015	2,356,658	482,651	668,658	3,267,666	3,025,316
Infrastructure	30,904,806	32,980,435	5,224,057	5,393,267	36,128,863	38,373,702
Total	$ 85,222,971	$ 83,868,444	$ 5,788,256	$ 6,149,857	$ 91,011,227	$ 90,018,301

See Note 9 to the basic financial statements for detail on the County's capital assets.

The County's largest capital asset category is infrastructure, which includes roads, bridges and culverts. These items are immovable and of value only to the County; however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 36.26 percent of the County's total governmental capital assets.

The County's largest business-type capital asset category is also infrastructure. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 90.25 percent of the County's total business-type capital assets.

Debt Administration

At December 31, 2018 the County had $640,000 in general obligation bonds, $5,652 in capital lease obligations, $8,395,000 in special obligation bonds, $23,914 in OWDA loans, $500,000 Joint Justice Center Loan, $4,791 in OPWC loans payable, and $2,873,652 in sewer district improvement revenue bonds outstanding. Of this total, $495,359 is due within one year and $11,947,650 is due in more than one year.

The following table summarizes the bonds, notes and loans outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2018	Business-Type Activities 2018	Governmental Activities 2017	Business-Type Activities 2017
Long-Term Obligations				
General obligation bonds	$ 640,000	$ -	$ 1,170,000	$ -
Capital lease obligation	5,652	-	8,524	-
Special obligation bonds	8,395,000	-	8,655,000	-
OWDA loan	23,914	-	29,228	-
Joint Justice Center loan	500,000	-	450,000	-
OPWC loan	-	4,791	-	5,133
Sewer improvement bonds	-	2,873,652	-	2,927,652
Total	$ 9,564,566	$ 2,878,443	$ 10,312,752	$ 2,932,785

At December 31, 2018 the County's voted legal debt margin was $26,712,303 and the County's unvoted legal debt margin was $10,960,321. See Note 11 to the basic financial statements for detail on long-term obligations.

Current Economic Factors

The County's estimated population as of July 1, 2018 per the U.S. Census Bureau is 55,207. The County's average annual unemployment rate during 2018 was 4.4 percent compared to a 3.3 percent average for the State of Ohio.

The County is primarily a rural community with a significant agricultural and durable goods manufacturing presence. The County's $1.150 billion assessed real property tax base has grown approximately 7.75 percent over the last six years. The growth is based on residential real estate construction and revaluations of property within the County. The County's debt burden remains modest.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Julie A. Adkins, Seneca County Auditor, 109 South Washington Street, Suite 2206, Tiffin, Ohio 44883-2841.

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SENECA COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
Assets:			
Equity in pooled cash and investments	$ 37,819,761	$ 1,238,666	$ 39,058,427
Cash and cash equivalents in segregated accounts	205,286	-	205,286
Cash and cash equivalents with fiscal agent	48,188	-	48,188
Receivables:			
Sales taxes	2,275,310	-	2,275,310
Property taxes	9,413,063	-	9,413,063
Accounts	145,458	300,644	446,102
Accrued interest	61,101	-	61,101
Intergovernmental	3,711,653	-	3,711,653
Loans	113,439	-	113,439
Due from component units	300,000	-	300,000
Materials and supplies inventory	597,842	-	597,842
Prepayments	352,035	3,396	355,431
Net pension asset	153,525	2,684	156,209
Net OPEB asset	75,000	-	75,000
Prepaid bond insurance	30,565	-	30,565
Assets held for resale	-	-	-
Internal balance	561	(561)	-
Investment in joint ventures	5,210,409	-	5,210,409
Capital assets:			
Non-depreciable capital assets	21,968,363	26,243	21,994,606
Depreciable capital assets, net	63,254,608	5,762,013	69,016,621
Total capital assets, net	85,222,971	5,788,256	91,011,227
Total assets	145,736,167	7,333,085	153,069,252
Deferred outflows of resources:			
Pension	5,538,652	112,112	5,650,764
OPEB	1,258,983	21,047	1,280,030
Total deferred outflows of resources	6,797,635	133,159	6,930,794
Liabilities:			
Accounts payable	806,815	14,748	821,563
Contracts payable	333,608	-	333,608
Accrued wages and benefits payable	457,533	7,698	465,231
Due to other governments	170,922	21,644	192,566
Due to primary government	-	-	-
Accrued interest payable	24,592	19,756	44,348
Unearned revenue	79,709	2,418	82,127
Long-term liabilities:			
Due within one year	448,981	57,026	506,007
Due in more than one year:			
Net pension liability	20,464,787	339,736	20,804,523
Net OPEB liability	13,192,654	230,626	13,423,280
Other amounts	11,344,495	2,866,909	14,211,404
Total liabilities	47,324,096	3,560,561	50,884,657
Deferred inflows of resources:			
Property taxes levied for the subsequent year	8,800,407	-	8,800,407
Pension	4,823,044	81,745	4,904,789
OPEB	1,109,546	17,194	1,126,740
Total deferred inflows of resources	14,732,997	98,939	14,831,936
Net position:			
Net investment in capital assets	74,912,955	2,909,813	77,822,768
Restricted for:			
Capital projects	284,364	-	284,364
Grants and specific programs	2,760,998	-	2,760,998
Human services programs	828,391	-	828,391
Community and economic development	258,330	-	258,330
SCOC programs	2,292,718	-	2,292,718
Roads and bridges	15,121,607	-	15,121,607
Other purposes	210,583	-	210,583
Debt service	50,000	159,388	209,388
Unrestricted (deficit)	(6,243,237)	737,543	(5,505,694)
Total net position (deficit)	$ 90,476,709	$ 3,806,744	$ 94,283,453

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Component Units		
Seneca Re-Ad Industries, Inc.	**Seneca County Land Reutilization Corporation**	**Seneca County Transportation Improvement District**
$ 1,092,811	$ 95,313	$ 4,999
-	-	-
-	-	-
-	-	-
-	-	-
104,910	-	-
-	-	-
-	-	60,278
-	-	-
-	-	-
-	-	-
5,044	1,667	-
-	-	-
-	-	-
-	-	-
-	130,600	-
-	-	-
-	-	-
2,945	-	-
94,108	-	-
97,053	-	-
1,299,818	227,580	65,277
-	-	-
-	-	-
8,322	-	60,278
-	-	-
35,347	-	-
-	-	-
-	300,000	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
43,669	300,000	60,278
-	-	-
-	-	-
-	-	-
-	-	-
97,053	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,159,096	(72,420)	4,999
$ 1,256,149	$ (72,420)	$ 4,999

SENECA COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
General government:				
Legislative and executive.	$ 8,777,003	$ 2,557,599	$ 120,376	$ 15,140
Judicial	2,829,782	1,152,562	145,537	-
Public safety.	9,134,089	1,996,768	1,265,058	-
Public works.	8,407,144	501,108	4,302,234	1,739,321
Health	10,391,991	1,710,147	2,786,610	-
Human services	8,850,203	288,720	7,129,795	-
Conservation and recreation.	218,538	-	32,520	-
Community and economic development	312,910	-	288,955	-
Interest and fiscal charges.	306,852	-	-	-
Total governmental activities	49,228,512	8,206,904	16,071,085	1,754,461
Business-type activities:				
Emergency Medical Services.	798,492	260,769	16,449	-
County Sewer District	647,203	496,254	-	-
Total business-type activities	1,445,695	757,023	16,449	-
Totals	$ 50,674,207	$ 8,963,927	$ 16,087,534	$ 1,754,461
Component Units:				
Seneca Re-Ad Industries, Inc	$ 1,493,550	$ 745,464	$ 794,759	$ -
Seneca County Land Reutilization Corporation.	449,275	-	58,000	-
Seneca County Transportation Improvement District	817,265	-	-	822,264

General revenues:
Property taxes levied for:
General purposes . . . .
Seneca County Opportunity Center. . . . .
Sales taxes. . . . .
Grants and entitlements not restricted
to specific programs. . . . .
Contributions and donations. . . . .
Investment earnings . . . .
Miscellaneous . . . .

Total general revenues . . . .

Transfers . . . .

Total transfers and general revenues. . . . .

Change in net position . . . .

Net position at beginning of year (restated). . . . . .

Net positon at end of year (deficit). . . . .

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Seneca Re-Ad Industries, Inc.	Seneca County Land Reutilization Corporation	Seneca County Transportation Improvement District
$ (6,083,888)	$ -	$ (6,083,888)	$ -	$ -	$ -
(1,531,683)	-	(1,531,683)	-	-	-
(5,872,263)	-	(5,872,263)	-	-	-
(1,864,481)	-	(1,864,481)	-	-	-
(5,895,234)	-	(5,895,234)	-	-	-
(1,431,688)	-	(1,431,688)	-	-	-
(186,018)	-	(186,018)	-	-	-
(23,955)	-	(23,955)	-	-	-
(306,852)	-	(306,852)	-	-	-
(23,196,062)	-	(23,196,062)	-	-	-
-	(521,274)	(521,274)	-	-	-
-	(150,949)	(150,949)	-	-	-
-	(672,223)	(672,223)	-	-	-
(23,196,062)	(672,223)	(23,868,285)	-	-	-
-	-	-	46,673	-	-
-	-	-	-	(391,275)	-
-	-	-	-	-	4,999
1,928,482	-	1,928,482	-	-	-
6,579,173	-	6,579,173	-	-	-
8,807,918	-	8,807,918	-	-	-
3,210,256	-	3,210,256	-	111,545	-
32,001	-	32,001	4,271	106,200	-
527,459	3,614	531,073	1,429	16	-
1,020,591	9,016	1,029,607	1,443	8,250	-
22,105,880	12,630	22,118,510	7,143	226,011	-
(330,000)	330,000	-	-	-	-
21,775,880	342,630	22,118,510	7,143	226,011	-
(1,420,182)	(329,593)	(1,749,775)	53,816	(165,264)	4,999
91,896,891	4,136,337	96,033,228	1,202,333	92,844	-
$ 90,476,709	$ 3,806,744	$ 94,283,453	$ 1,256,149	$ (72,420)	$ 4,999

SENECA COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 4,960,968	$ 14,803,390	$ 10,769,579	$ 7,285,824	$ 37,819,761
Cash and cash equivalents in segregated accounts	205,286	-	-	-	205,286
Cash and cash equivalents with fiscal agent	-	-	-	48,188	48,188
Receivables:					
Sales taxes	2,275,310	-	-	-	2,275,310
Property taxes	2,199,124	-	7,213,939	-	9,413,063
Accounts	107,834	1,769	-	35,855	145,458
Due from other funds	44,327	-	-	67,664	111,991
Interfund loans	628,510	-	-	-	628,510
Accrued interest	53,500	7,601	-	-	61,101
Intergovernmental	943,495	2,175,964	249,699	342,495	3,711,653
Loans	-	-	-	113,439	113,439
Due from component unit	-	-	-	300,000	300,000
Loans to other funds	36,800	-	-	-	36,800
Materials and supplies inventory	61,921	519,406	13,508	3,007	597,842
Prepayments	216,491	12,973	59,427	63,144	352,035
Total assets	$ 11,733,566	$ 17,521,103	$ 18,306,152	$ 8,259,616	$ 55,820,437
Liabilities:					
Accounts payable	$ 284,314	$ 133,553	$ 122,437	$ 266,511	$ 806,815
Contracts payable	-	-	-	333,608	333,608
Accrued wages and benefits payable	205,892	24,437	143,194	84,010	457,533
Matured compensated absences payable	-	-	10,648	-	10,648
Intergovernmental payable	104,696	4,620	42,643	18,963	170,922
Due to other funds	-	7	-	111,423	111,430
Interfund loans payable	-	-	-	628,510	628,510
Loans from other funds	-	-	-	36,800	36,800
Unearned revenue	8,830	-	-	70,879	79,709
Total liabilities	603,732	162,617	318,922	1,550,704	2,635,975
Deferred inflows of resources:					
Property taxes levied for the subsequent year	2,055,594	-	6,744,813	-	8,800,407
Delinquent property taxes not available	143,530	-	469,126	-	612,656
Accrued interest not available	12,589	1,143	-	-	13,732
Intergovernmental revenue not available	536,798	1,378,725	249,699	-	2,165,222
Sales taxes not available	868,597	-	-	-	868,597
Total deferred inflows of resources	3,617,108	1,379,868	7,463,638	-	12,460,614
Fund balances:					
Nonspendable	520,498	532,379	72,935	66,151	1,191,963
Restricted	-	15,446,239	10,450,657	6,435,249	32,332,145
Committed	11,855	-	-	-	11,855
Assigned	4,675,399	-	-	500,844	5,176,243
Unassigned (deficit)	2,304,974	-	-	(293,332)	2,011,642
Total fund balances	7,512,726	15,978,618	10,523,592	6,708,912	40,723,848
Total liabilities, deferred inflows of resources and fund balances	$ 11,733,566	$ 17,521,103	$ 18,306,152	$ 8,259,616	$ 55,820,437

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018

Total governmental fund balances		$ 40,723,848
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		85,222,971
Investments in joint ventures by the governmental activities are not financial resources and therefore are not reported in the funds.		5,210,409
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	$ 868,597	
Delinquent property taxes receivable	612,656	
Intergovernmental receivable	2,165,222	
Accrued interest receivable	13,732	
Total		3,660,207
On the statement of net position interest is accrued on outstanding bonds payable, whereas in the governmental funds interest is accrued when due.		(24,592)
Unamortized prepaid bond insurance costs are amortized over the life of the bonds on the statement of net position.		30,565
Unamortized premiums on bond issuances are not recognized in the governmental funds.		(435,756)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,782,506)	
Capital lease payable	(5,652)	
General obligation bonds payable	(9,035,000)	
Loans payable	(523,914)	
Total		(11,347,072)
The net pension asset is not available to pay for the current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	5,538,652	
Deferred inflows of resources - pension	(4,823,044)	
Net pension asset	153,525	
Net pension liability	(20,464,787)	
Total		(19,595,654)
The net OPEB asset is not available to pay for the current period expenditures and the net OPEB liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	1,258,983	
Deferred inflows of resources - OPEB	(1,109,546)	
Net OPEB asset	75,000	
Net OPEB liability	(13,192,654)	
Total		(12,968,217)
Net position of governmental activities		$ 90,476,709

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 1,920,174	$ -	$ 6,546,667	$ -	$ 8,466,841
Sales taxes	8,749,398	-	-	-	8,749,398
Special assessments	-	-	-	342,662	342,662
Charges for services	4,251,684	43,026	1,409,980	1,259,382	6,964,072
Licenses and permits	3,164	-	-	35,841	39,005
Fines and forfeitures	213,752	27,887	-	218,590	460,229
Intergovernmental	2,896,147	4,921,591	3,357,324	9,801,607	20,976,669
Interest	425,035	59,896	-	43,147	528,078
Rent	118,281	-	105,809	176,846	400,936
Contributions and donations	26,651	-	14,880	5,350	46,881
Other	487,275	37,747	56,763	438,806	1,020,591
Total revenues	19,091,561	5,090,147	11,491,423	12,322,231	47,995,362
Expenditures:					
Current:					
General government:					
Legislative and executive	6,175,648	-	-	871,801	7,047,449
Judicial	2,228,578	-	-	321,938	2,550,516
Public safety	6,881,734	-	-	1,831,670	8,713,404
Public works	88,989	4,667,480	-	202,646	4,959,115
Health	120,436	-	9,769,806	158,350	10,048,592
Human services	438,657	-	-	7,770,296	8,208,953
Conservation and recreation	162,147	-	-	37,351	199,498
Community and economic development	-	-	-	312,910	312,910
Capital outlay	-	-	-	5,019,333	5,019,333
Debt service:					
Principal retirement	2,872	-	-	795,314	798,186
Interest and fiscal charges	361	-	-	326,108	326,469
Total expenditures	16,099,422	4,667,480	9,769,806	17,647,717	48,184,425
Excess (deficiency) of revenues over (under) expenditures	2,992,139	422,667	1,721,617	(5,325,486)	(189,063)
Other financing sources (uses):					
Loan proceeds	-	-	-	50,000	50,000
Sale of capital assets	869	5,100	-	-	5,969
Transfers in	11,401	-	-	2,599,686	2,611,087
Transfers (out)	(2,600,511)	-	-	(340,576)	(2,941,087)
Total other financing sources (uses)	(2,588,241)	5,100	-	2,309,110	(274,031)
Net change in fund balances	403,898	427,767	1,721,617	(3,016,376)	(463,094)
Fund balances at beginning of year	7,108,828	15,550,851	8,801,975	9,725,288	41,186,942
Fund balances at end of year	$ 7,512,726	$ 15,978,618	$ 10,523,592	$ 6,708,912	$ 40,723,848

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - total governmental funds		$ (463,094)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 6,875,372	
Current year depreciation	(3,916,668)	
Total		2,958,704
The net effect of various transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(1,604,177)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	58,520	
Property taxes	40,814	
Intergovernmental revenues	44,253	
Investment income	(619)	
Total		142,968
Equity interests in joint ventures do not represent current resources and are not reported in the funds; however, gains or losses resulting from these investments increase or decrease assets on the statement of net position.		102,122
Loan proceeds are reported as revenues in the governmental funds; however, in the statement of net position the debt is reported as a liability.		(50,000)
Repayment of bond, loans and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		798,186
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,936	
Amortization of bond premiums	19,015	
Amortization of prepaid bond insurance	(1,334)	
Total		19,617
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		2,546,757
OPEB		16,796
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(4,428,122)
OPEB		(1,084,650)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(375,289)
Change in net position of governmental activities		$ (1,420,182)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 1,971,526	$ 1,920,174	$ 1,920,174	$ -
Sales taxes	8,604,000	8,644,994	8,644,994	-
Charges for services	3,679,150	3,976,267	3,997,455	21,188
Licenses and permits	2,805	3,114	3,164	50
Fines and forfeitures	195,500	214,778	214,778	-
Intergovernmental	1,837,191	2,146,565	2,146,583	18
Interest	375,600	461,099	476,911	15,812
Rent	109,040	107,678	107,678	-
Contributions and donations	10,000	25,428	26,651	1,223
Other	475,500	447,047	454,337	7,290
Total revenues	17,260,312	17,947,144	17,992,725	45,581
Expenditures:				
Current:				
General government:				
Legislative and executive	6,486,969	6,657,799	6,372,536	285,263
Judicial	2,692,620	2,623,090	2,471,942	151,148
Public safety	6,748,285	7,067,150	6,959,092	108,058
Public works	89,570	89,099	82,999	6,100
Health	120,373	120,089	120,089	-
Human services	702,680	604,406	566,375	38,031
Conservation and recreation	154,318	174,333	166,353	7,980
Total expenditures	16,994,815	17,335,966	16,739,386	596,580
Excess of revenues over expenditures	265,497	611,178	1,253,339	642,161
Other financing sources (uses):				
Sale of capital assets	-	869	869	-
Advances in	-	-	10,200	10,200
Advances (out)	-	-	(628,510)	(628,510)
Transfers in	-	11,401	11,401	-
Transfers (out)	(100,272)	(3,286,678)	(3,225,599)	61,079
Total other financing sources (uses)	(100,272)	(3,274,408)	(3,831,639)	(557,231)
Net change in fund balance	165,225	(2,663,230)	(2,578,300)	84,930
Fund balance at beginning of year	2,671,104	2,671,104	2,671,104	-
Prior year encumbrances appropriated	1,019,154	1,019,154	1,019,154	-
Fund balance at end of year	$ 3,855,483	$ 1,027,028	$ 1,111,958	$ 84,930

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Charges for services	$ 50,000	$ 30,769	$ 45,827	$ 15,058
Fines and forfeitures	35,000	29,336	29,336	-
Intergovernmental	4,070,000	4,508,560	4,802,875	294,315
Interest	40,000	75,897	75,897	-
Other	5,000	38,624	38,882	258
Total revenues	4,200,000	4,683,186	4,992,817	309,631
Expenditures:				
Current:				
Public works	3,871,791	5,550,719	5,340,176	210,543
Excess (deficiency) of revenues over (under) expenditures	328,209	(867,533)	(347,359)	520,174
Other financing sources:				
Sale of capital assets	-	5,100	5,100	-
Net change in fund balance	328,209	(862,433)	(342,259)	520,174
Fund balance at beginning of year	14,379,379	14,379,379	14,379,379	-
Prior year encumbrances appropriated	185,170	185,170	185,170	-
Fund balance at end of year	$ 14,892,758	$ 13,702,116	$ 14,222,290	$ 520,174

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENECA COUNTY OPPORTUNITY CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Property taxes	$ 6,392,400	$ 6,546,667	$ 6,546,667	$ -
Charges for services	2,110,628	1,446,507	1,424,406	(22,101)
Intergovernmental	3,153,162	3,277,021	3,486,724	209,703
Rent	99,431	99,431	99,438	7
Contributions and donations	4,000	14,880	14,880	-
Other	-	43,949	57,456	13,507
Total revenues	11,759,621	11,428,455	11,629,571	201,116
Expenditures:				
Current:				
Health	20,026,762	19,651,242	10,553,259	9,097,983
Excess (deficiency) of revenues over (under) expenditures	(8,267,141)	(8,222,787)	1,076,312	9,299,099
Other financing (uses):				
Transfers (out)	(477,017)	(5,033)	-	5,033
Net change in fund balance	(8,744,158)	(8,227,820)	1,076,312	9,304,132
Fund balance at beginning of year	7,992,444	7,992,444	7,992,444	-
Prior year encumbrances appropriated	855,884	855,884	855,884	-
Fund balance at end of year	$ 104,170	$ 620,508	$ 9,924,640	$ 9,304,132

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Emergency Medical Services	**County Sewer District**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and investments	$ 487,454	$ 751,212	$ 1,238,666
Accounts Receivable	118,879	181,765	300,644
Prepayments	2,725	671	3,396
Total current assets	609,058	933,648	1,542,706
Noncurrent assets:			
Net pension asset	2,104	580	2,684
Capital assets:			
Non-depreciable capital assets	-	26,243	26,243
Depreciable capital assets, net	476,574	5,285,439	5,762,013
Total capital assets, net	476,574	5,311,682	5,788,256
Total noncurrent assets	478,678	5,312,262	5,790,940
Total assets	1,087,736	6,245,910	7,333,646
Deferred outflows of resources:			
Pension	93,720	18,392	112,112
OPEB	17,318	3,729	21,047
Total deferred outflows of resources	111,038	22,121	133,159
Liabilities:			
Current liabilities:			
Accounts payable	4,457	10,291	14,748
Accrued wages and benefits payable	6,137	1,561	7,698
Due to other funds	2	559	561
Due to other governments	1,114	20,530	21,644
Unearned revenue	-	2,418	2,418
Accrued interest payable	-	19,756	19,756
Revenue bonds payable	-	56,000	56,000
OPWC loans payable	-	1,026	1,026
Total current liabilities	11,710	112,141	123,851
Long-term liabilities:			
Compensated absences payable	45,492	-	45,492
Revenue bonds payable	-	2,817,652	2,817,652
OPWC loans payable	-	3,765	3,765
Net pension liability	266,363	73,373	339,736
Net OPEB liability	180,817	49,809	230,626
Total long-term liabilities	492,672	2,944,599	3,437,271
Total liabilities	504,382	3,056,740	3,561,122
Deferred inflows of resources:			
Pension	63,386	18,359	81,745
OPEB	13,470	3,724	17,194
Total deferred inflows of resources	76,856	22,083	98,939
Net position:			
Net investment in capital assets	476,574	2,433,239	2,909,813
Restricted for debt service	-	159,388	159,388
Unrestricted	140,962	596,581	737,543
Total net position	$ 617,536	$ 3,189,208	$ 3,806,744

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Emergency Medical Services	**County Sewer District**	**Total**
Operating revenues:			
Charges for services	$ 260,769	$ 494,863	$ 755,632
Tap-in fees	-	1,391	1,391
Other operating revenues	2,828	6,188	9,016
Total operating revenues	263,597	502,442	766,039
Operating expenses:			
Personal services	445,990	88,480	534,470
Contract services	104,387	250,590	354,977
Materials and supplies	56,412	46,433	102,845
Depreciation	182,149	179,452	361,601
Other	9,554	2,110	11,664
Total operating expenses	798,492	567,065	1,365,557
Operating loss	(534,895)	(64,623)	(599,518)
Nonoperating revenues (expenses):			
Interest income	-	3,614	3,614
Interest and fiscal charges	-	(80,138)	(80,138)
Grants and subsidies	16,449	-	16,449
Total nonoperating revenues (expenses)	16,449	(76,524)	(60,075)
Loss before transfers	(518,446)	(141,147)	(659,593)
Transfer in	330,000	-	330,000
Change in net position	(188,446)	(141,147)	(329,593)
Net position at beginning of year (restated)	805,982	3,330,355	4,136,337
Net position at end of year	$ 617,536	$ 3,189,208	$ 3,806,744

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Emergency Medical Services	County Sewer District	Total
Cash flows from operating activities:			
Cash received from customers.	$ 317,013	$ 478,743	$ 795,756
Cash received from tap-in fees	-	1,391	1,391
Cash received from other operations	2,828	6,188	9,016
Cash payments for personal services.	(345,966)	(78,445)	(424,411)
Cash payments for contractual services	(104,081)	(255,086)	(359,167)
Cash payments for materials and supplies	(57,308)	(46,067)	(103,375)
Cash payments for other expenses	(29,505)	(2,245)	(31,750)
Net cash provided by (used in) operating activities. . .	(217,019)	104,479	(112,540)
Cash flows from noncapital financing activities:			
Cash received from grants and subsidies	16,449		16,449
Cash received from transfers in.	330,000	242,426	572,426
Cash used in transfers out	-	(242,426)	(242,426)
Net cash provided by noncapital financing activities. .	346,449	-	346,449
Cash flows from capital and related financing activities:			
Principal retirement on revenue bonds.	-	(54,000)	(54,000)
Principal retirement on loans.	-	(342)	(342)
Interest and fiscal charges	-	(80,510)	(80,510)
Net cash used in capital and related financing activities.	-	(134,852)	(134,852)
Cash flows from investing activities:			
Interest received	-	3,614	3,614
Net increase (decrease) in cash and cash equivalents	129,430	(26,759)	102,671
Cash and cash equivalents at beginning of year	358,024	777,971	1,135,995
Cash and cash equivalents at end of year	$ 487,454	$ 751,212	$ 1,238,666

- - (Continued)

SENECA COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds		
	Emergency Medical Services	County Sewer District	Total
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	$ (534,895)	$ (64,623)	$ (599,518)
Adjustments:			
Depreciation	182,149	179,452	361,601
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable	56,244	(18,204)	38,040
Prepayments	(689)	94	(595)
Net pension asset	(1,309)	(353)	(1,662)
Deferred outflows - pension	96,136	23,673	119,809
Deferred outflows - OPEB	(14,838)	(3,022)	(17,860)
Accounts payable	(21,862)	(7,524)	(29,386)
Accrued wages and benefits	898	294	1,192
Intergovernmental payable	125	2,554	2,679
Amounts due to other funds	2	37	39
Compensated absences payable	37,621	-	37,621
Net pension liability	(109,165)	(33,680)	(142,845)
Net OPEB liability	18,348	3,494	21,842
Deferred inflows - pension	60,746	16,479	77,225
Deferred inflows - OPEB	13,470	3,724	17,194
Unearned revenue	-	2,084	2,084
Net cash provided by (used in) operating activities	$ (217,019)	$ 104,479	$ (112,540)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SENECA COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2018

		Agency
Assets:		
Current assets:		
Equity in pooled cash and investments	$	11,653,442
Cash in segregated accounts		208,957
Receivables:		
Accounts		1,014,073
Intergovernmental		2,818,294
Taxes		50,747,634
Prepayments		98,980
Total assets	$	66,541,380
Liabilities:		
Current liabilities:		
Accrued wages and benefits	$	42,881
Intergovernmental payable		55,506,350
Compensated absences		195,810
Undistributed monies		10,047,965
Deposits held and due to others		748,374
Total liabilities	$	66,541,380

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Seneca County, Ohio (the County) was created in 1824. The County is governed by a Board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges and a Probate/Juvenile Court Judge. The County Commissioners authorize expenditures and serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County, although the elected officials manage the internal operations of their respective departments.

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. Seneca County boards include the Board of Developmental Disabilities (Board of DD), the Job and Family Services Department and all departments and activities that are operated directly by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable if it appoints a voting majority of the organization’s governing body and 1) the County is able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. Component units also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the issuance of the organization's debt or the levying of the organization's taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. The County has three component units.

Component Units - The component unit columns on the entity-wide financial statements includes the financial data of the County’s discretely presented component units Seneca Re-Ad Industries, Inc., Seneca County Land Reutilization Corporation, and the Seneca County Transportation Improvement District. The component units are reported in separate columns to emphasize that they are legally separate from the County. Information in the following notes is applicable to the primary government. Information relative to the component units are presented in Notes 21-23.

Seneca Re-Ad Industries, Inc.

Seneca Re-Ad Industries Inc., is a not-for-profit corporation duly organized under Chapter 1702 O.R.C., and classified as a 501(c)(3) non-profit corporation. It has contracted with the Seneca County Board of DD to provide sheltered employment for developmentally disabled or handicapped adults in Seneca County. Responsibility for the provision of sheltered employment is with the Board of Trustees of Seneca Re-Ad Industries Inc., an eight-member self-appointing board that operates within the defined duties and stated rules of the Seneca County Board of DD. The Seneca Re-Ad Industries, Inc. receives all reasonable and just utility costs for the basic operation of this program from the Seneca County Board of DD. The staff, facilities, equipment, supplies and materials necessary for basic operation and care of the ground and facility for the Seneca Re-Ad program are also provided by the Seneca County Board of DD. In the event of dissolution of the non-profit corporation or the cancellation of the contract between the Seneca County Board of DD and Seneca Re-Ads, all materials and equipment purchased by the Seneca Re-Ads Industries, Inc. Board would become the property of the Seneca County Board of DD.

Separately issued financial statements for Seneca Re-Ad Industries, Inc. can be obtained from Reichert and Associates, CPAs, 206 West Hardin Street, Findlay, Ohio 45840.

Seneca County Land Reutilization Corporation

The Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the County). By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and return properties to productive use. Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County and (4) one member who is a representative of the second largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County. Separately issued financial statements can be obtained from the Seneca County Land Reutilization Corporation, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

Seneca County Transportation Improvement District (SCTID)
The SCTID is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The SCTID was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The SCTID was created by action of the Board of Seneca County Commissioners on October 25, 2017. The SCTID is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Seneca County Commissioners. In addition, the County is able to impose its will on the SCTID. SCTID’s year end is December 31. Separately issued financial statements can be obtained from the Seneca County Transportation Improvement District, 109 South Washington Street, Suite 2105, Tiffin, Ohio 44883.

Related Organizations - Seneca County officials are responsible for appointing a voting majority of the board members of the Seneca County Emergency Planning Commission, Tiffin Seneca Public Library, Seneca County Museum Advisory Board, Seneca County Convention and Visitors' Bureau and Seneca Metropolitan Housing Authority; however, Seneca County is not financially accountable for these entities because it cannot impose its will on any of these organizations and a financial benefit/burden relationship does not exist.

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. The County serves as fiscal agent for the separate agencies, boards and commissions listed below, but is not financially accountable for these organizations. Accordingly, the activity of the following districts and agencies are presented as agency funds within Seneca County’s financial statements:

Seneca County General Health District
Seneca County Emergency Planning Commission
Seneca County Soil and Water Conservation District
Seneca, Sandusky, Wyandot Mental Health and Recovery Services Board
Seneca County Regional Planning Commission
Seneca County Park District

The following organizations are joint ventures, jointly governed organizations, and pools in which the County participates.

Sandusky County-Seneca County-City of Tiffin Port Authority
The Port Authority, a joint venture of Sandusky and Seneca Counties and the City of Tiffin, is established under the authority of Sections 4582.21 et. seq., of the Revised Code, with territorial limits co-terminus with the boundaries of the Counties, with Tiffin being within the boundaries of Seneca County. The Port Authority is governed by a seven member Board of Directors, consisting of two members from each of the counties and the city, with the seventh member being rotated between the three entities every four years. The members are appointed by the County Commissioners in the Counties, and by the Mayor of Tiffin in the City.

Appointed members may hold no other public office or public employment except Notary Public, member of the State Militia, or member of a reserve component of the United States Armed Forces. Initial funding for organizational expenses, including purchase of real or personal property by the Port Authority, was contributed by each subdivision with no obligation of future contributions or financial support. The contributions were equal and simultaneous. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City and resolutions by the Counties. Any real or personal property will be returned to the subdivision from which it was received.

Upon dissolution of the Port Authority, any remaining balances of the Port Authority's funds will be distributed equally to the City and the Counties after paying all expenses and debts.

Ottawa-Sandusky-Seneca County Solid Waste District
The Solid Waste District is a joint venture of Ottawa, Sandusky, and Seneca Counties and is established under the authority of Section 3734.54 of the Ohio Revised Code. The cost of operations and expenses is to be funded by fees collected by the District. In the event that fees are not sufficient for the purpose, the Counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective Counties bear to the total population of all the Counties. Upon the withdrawal of a county from the District, the Board of Directors shall ascertain, apportion, and order a division of the funds on hand, credits and real personal property of the District, either in money or in kind, on any equitable basis between the District and the withdrawing county. Should the District be dissolved, the Boards of County Commissioners shall continue to levy and collect taxes for the payment of any outstanding indebtedness. The Solid Waste District is governed by the three commissioners of each county involved.

Mental Health and Recovery Services (MHRS)
The Mental Health and Recovery Services Board is a joint venture between Seneca, Sandusky and Wyandot counties. The headquarters for the Mental Health Board is in Seneca County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, a fourteen-member Board is the governing body. Eight members of the Board are appointed by the Board of County Commissioners from the respective counties of which members are residents, and six members are appointed by the State of Ohio, Department of Mental Health and Addiction Services. Revenues to provide mental health services are generated through state and federal grants. The Mental Health Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits. Seneca County is acting as fiscal agent to the Mental Health Board.

Northland Homes and Properties, Inc.
Northland Homes and Properties, Inc. is a not-for-profit corporation organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code of 1986. The corporation is a joint venture of the Board of DD of Seneca, Crawford, and Marion counties to provide a lifetime of affordable housing and residential services to citizens with developmental disabilities. The corporation is governed by a board of at least ten trustees with each participating county board of developmental disabilities appointing two. The trustees shall serve a maximum of three consecutive three-year terms.

County Risk Sharing Authority, Inc. (CORSA)
The County is a member of CORSA, which is a risk sharing pool among thirty-six counties in Ohio. CORSA was formed as an Ohio nonprofit 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. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the 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.

County Commissioners' Association of Ohio Service Corporation (CCAOSC)
The CCAOSC is an Ohio corporation established to create an employer group workers compensation-rating plan as regulated by Section 4123.29 of the Ohio Revised Code. The CCAOSC is intended to achieve lower workers' compensation rates for the Group and establish safer working conditions and environments for each participant. The corporation is administered by a Group Executive Committee, which consists of seven members. Two of the members are the President and Treasurer of CCAOSC and five members, who must be County Commissioners, are elected by the participants as their representatives.

North Central Ohio Regional Council of Governments (NCORcog)
NCORcog is a legally separate body politic and corporate served by an eight-member Board of Directors that meets the definition of regional Council of governments under Chapter 167 of the Ohio Revised Code. NCORcog is a regional source for shared services. Cost savings achieved are designed to not only maintain existing essential services, but to enhance them as well.

The initial, founding members, and Board of Directors are the North Central Ohio ESC, Seneca County, the City of Tiffin, Clinton Township, the Village of New Riegel, North Central Academy, Tiffin City School District, and Seneca East Local School District. The Superintendent of the North Central Ohio ESC serves as Chair of the Board. The Chair is a non-voting member and shall only vote in the event of a tie. The treasurer of North Central Ohio ESC serves as ex-officio/advisor for fiscal matters and is also a non-voting member. Membership is voluntary pursuant to resolution, ordinance or other appropriate action. Application of membership shall be subject to approval by the Board of Directors. Each political subdivision is entitled to one vote. The North Central Ohio ESC serves as the fiscal agent. NCORcog issues a publicly available, stand-alone financial report. The report may be obtained by writing to the Treasurer of the North Central Ohio ESC, 928 West Market Street, Tiffin, Ohio 44883.

Clearwater Council of Governments
The Clearwater Council of Governments (Clearwater) is a regional council of governments comprised of the Boards of Developmental Disabilities (DD) of Crawford, Erie, Huron, Marion, Morrow, Ottawa, Sandusky, Seneca, and Wyandot Counties. The Board of Directors is made up of the superintendents from each of these DD Boards. Clearwater is the administrator of various grant monies for each these Boards of DD. The degree of control exercised by any participating government is limited to its representation of the Board. Financial information can be obtained from the Clearwater Council of Governments, 8200 West State Route 163, Oak Harbor, Ohio, 43449.

Metro-Richland County (METRICH)
The County is a member of the Metro-Richland County Enforcement Unit which is a jointly governed organization between Crawford, Huron, Morrow, Knox, Seneca, Marion, Ashland, Hancock and Wyandot Counties, the City of Mansfield, the City of Tiffin and 38 other communities. METRICH remains one of the only decentralized task forces in the state promoting a Community Policing philosophy approach to task force operations. There is a control group in each county (Prosecutor, Sheriff, and chiefs of Police) that direct local efforts including setting local goals and objectives in support of the regional goals and objectives.

The METRICH Control Board is represented by each of the nine Prosecutors, Sheriffs and the Chief of Police of the participating agencies. Funding is obtained through grants administered by the Ohio Office of Criminal Justice Services (OCJS). This grant funding is utilized to support task force operations throughout all nine counties. Information can be obtained from the Mansfield Division of Police, Chief Keith Porch, Project Director.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Seneca County financial statements conforms to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The County's most significant accounting policies are described below.

A. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

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

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

B. Fund Accounting

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

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

General fund - The General fund is used to account for and report all financial resources not accounted for and reported in another fund. The General fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Maintenance and Repair fund - The Maintenance and Repair fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, and investment revenue. Expenditures in this fund are restricted by State law to County road and bridge repair/improvement programs.

Seneca County Opportunity Center fund (SCOC) - The SCOC fund accounts for a county-wide property tax levy and federal and state grants and entitlements for operating the SCOC, and providing additional support services for handicapped individuals.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following are the County's major enterprise funds:

Emergency Medical Services(EMS) fund - The EMS fund accounts for revenue received from charges for transporting people to the hospital in emergency situations and money received from transfers from the General fund.

County Sewer District fund - The County Sewer District fund accounts for money received from user and tap-in fees for sewer services provided to residents in various development areas of the County and grant and loan activities for the sewer and wastewater treatment facility acquisition and construction.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County’s own programs. Currently, the County does not have any trust funds. The County’s agency funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, State-levied shared revenues, and fines and forfeitures collected for and distributed to other political subdivisions.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds. Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues-Exchange and Non-Exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, State-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, interest, and rent.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, sales taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures

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

E. Budgetary Process

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

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

The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2018.

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments". During 2018, investments were limited to STAR Ohio, negotiable certificates of deposit (CDs), U.S. Government money market accounts, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal National Mortgage Association (FNMA) securities, U.S. Bank commercial paper, corporate note and a taxable municipal issue.

Cash and cash equivalents that are held separately within departments of the County, and not included in the County Treasury, are recorded as "cash and cash equivalents in segregated accounts". Investments are reported at fair value, except for non-negotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices. Any increase or decrease in fair value is reported as a component of investment earnings.

During 2018, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The County has also deposited funds in the STAR Plus program. The STAR Plus program allows Ohio's political subdivisions to deposit monies in a network of FDIC-insured banks via a single account.

Interest earnings are allocated to County funds according to State statutes and grant requirements. Interest revenue credited to the General fund during 2018 was $425,035, which includes approximately $352,161 assigned from the other County funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents in the financial statements. Investments with an initial maturity of more than three months, and not purchased from the cash management pool, are reported as investments.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

H. Inventory

Inventory is presented at the lower of cost or market on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources.

I. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients. Reported loans receivable is offset by a nonspendable, restricted, or committed fund balance in the governmental fund types.

J. Capital Assets

General capital assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The County maintains a capitalization threshold of $5,000 for all assets except infrastructure. The capitalization threshold for infrastructure is $10,000. The County's infrastructure consists of roads, bridges, culverts and sewers. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements (land and improvements not being depreciated, such as road base) and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives.

DESCRIPTION	ESTIMATED LIVES
Buildings and Improvements	31
Land Improvements	15
Machinery and Equipment	5-7
Infrastructure...	5-50
Vehicles..	5

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund loans receivable/payable" and receivables and payables resulting from long-term interfund loans are classified as "loans to/from other funds". Receivables and payables resulting from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur are classified as "due to/from other funds".

Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "internal balances".

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave is paid. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The County's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

Net position is reported as restricted when there are limitations imposed on its use, either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the General fund.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling 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 Board of Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Commissioners.

Unassigned - Unassigned fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

P. Operating Revenues and Expenses

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

Q. Capital Contributions

Capital contributions on the proprietary fund financial statements arise from contributions from governmental activities, from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. No events of this nature occurred during 2018.

T. Estimates

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For 2018, the County has implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", GASB Statement No. 85, "*Omnibus 2017*" and GASB Statement No. 86, "*Certain Debt Extinguishments*".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the County's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the County.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the County.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	$ 103,797,254	$ 4,341,934
Deferred outflows of resources	192,494	3,187
Deferred inflows of resources	(24,054)	-
Net OPEB liability	(12,068,803)	(208,784)
Restated net position at January 1, 2018	$ 91,896,891	$ 4,136,337

	Business-Type Enterprise Funds	
	Emergency Medical Services	County Sewer District
Net position as previously reported	$ 965,971	$ 3,375,963
Deferred outflows of resources	2,480	707
Deferred inflows of resources	-	-
Net OPEB liability	(162,469)	(46,315)
Restated net position at January 1, 2018	$ 805,982	$ 3,330,355

Other than employer contributions subsequent to the measurement date, the County made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at December 31, 2018 included the following individual fund deficits:

Nonmajor funds	Deficit
Wolf Creek ditch project	$ 284,270
CDBG capital projects	4,343
Sheriff highway safety grant	4,601

The General fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Monies held by the County which are not considered active are classified as inactive and can be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes or any other obligations or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, its political subdivisions, provided that such political subdivisions are located wholly or partly with the County;

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

6. No load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in 1 or 2 above, or cash, or both securities and cash, equal value for equal value;

9. High grade commercial paper in an amount not to exceed 5% of the County's total average portfolio; and,

10. Bankers acceptances for a period not to exceed one hundred eighty days and in an amount not to exceed 10% of the County's total average portfolio.

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, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited by the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

A. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all County deposits was $20,639,265 and the bank balance of all County deposits was $21,531,882. Of the bank balance, $2,104,458 was covered by the FDIC and $19,427,424 was exposed to custodial credit risk discussed below.

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 in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2018, the County was in the OPCS; however certain County financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

B. Cash on Hand

At year end, the County had $1,847 in undeposited cash on hand which is included on the financial statements as a component of "equity in pooled cash and investments".

C. Investments

As of December 31, 2018, the County had the following investments and maturities.

		Investment Maturities				
Measurement/ Investment Type	Measurement Amount	6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months	Greater than 24 months
Amortized Cost:						
STAR Ohio	$ 1,045,552	$ 1,045,552	$ -	$ -	$ -	$ -
Fair Value:						
Commercial paper	6,518,110	3,525,039	2,993,071	-	-	-
Negotiable CD's	5,295,142	-	1,714,981	970,652	485,414	2,124,095
U.S. Government money market	215,533	215,533	-	-	-	-
FHLB	3,400,204	-	-	-	736,823	2,663,381
FHLMC	9,496,583	856,792	431,637	3,552,864	1,295,085	3,360,205
FFCB	1,076,455	-	-	-	-	1,076,455
FNMA	2,434,416	593,991	-	-	994,890	845,535
Corporate notes	795,696	-	795,696	-	-	-
Taxable municipal issue	255,497	-	-	-	-	255,497
Total	$ 30,533,188	$ 6,236,907	$ 5,935,385	$ 4,523,516	$ 3,512,212	$ 10,325,168

The weighted average maturity of investments is 1.73 years.

The County's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in negotiable CD's, commercial paper, federal agency securities (FHLB, FHLMC, FFCB, FNMA),corporate notes and taxable municipal issue are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits maturities only to matching anticipated cash flow requirements.

Credit Risk: STAR Ohio and the U.S. Government money market account were assigned an AAAm rating from Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Bank commercial paper was given a short-term rating of Prime-1 (P-1) from Moody's Investor Services. The County has no investment policy that addresses credit risk.

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 investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County's U.S. Bank commercial paper account was exposed to custodial credit risk, while the County's negotiable CDs were covered by the FDIC. The County's investment policy addresses custodial credit risk.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The percentage of each investment type held by the County as of December 31, 2018 is as follows:

Measurement/ Investment Type	Measurement Amount	% of Total
Amortized Cost:		
STAR Ohio	$ 1,045,552	3.42
Fair Value:		
Commercial paper	6,518,110	21.35
Negotiable CD's	5,295,142	17.34
U.S. Government money market	215,533	0.71
FHLB	3,400,204	11.14
FHLMC	9,496,583	31.10
FFCB	1,076,455	3.53
FNMA	2,434,416	7.97
Corporate notes	795,696	2.61
Taxable municipal issue	255,497	0.83
Total	$ 30,533,188	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments for the primary government as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

Cash and investments per note	
Carrying amount of deposits	$ 20,639,265
Investments	30,533,188
Cash on hand	1,847
Total	$ 51,174,300
Cash and investments per statement of net position	
Governmental activities	$ 38,073,235
Business-type activities	1,238,666
Agency funds	11,862,399
Total	$ 51,174,300

NOTE 5 – INTERFUND TRANSACTIONS

A. Short-term interfund loans receivable/payable consisted of the following at December 31, 2018, as reported on the fund financial statements:

Receivable fund	Payable funds	Amount
General	*Nonmajor governmental funds:*	
	Community corrections	$ 23,150
	DRETAC	300,000
	Sheriff highway safety grant	10,000
	CDBG capital projects	28,993
	Wolf Creek ditch project	266,367
	Total short-term interfund loans payable/receivable	$ 628,510

The short-term interfund loans receivable balances in the General fund resulted from advances made to provide working capital for operations and other projects. All advances were authorized by resolution of the

County Commissioners. Short-term interfund loans between governmental funds are eliminated for reporting on the statement of net position.

During 2018, the County repaid an interfund loan of $624,000 that was outstanding at December 31, 2017. The interfund loan receivable balance in the Seneca County Opportunity Center fund was from an internal borrowing consisting of capital improvement notes to the capital facilities note retirement nonmajor debt service fund to finance County projects internally rather than through outside parties. The internal notes were identified as to which funds were liable for repayment; however, the actual borrowing occurs from a pool of funds rather than specific funds.

B. Long-term interfund loans payable/receivable consisted of the following at December 31, 2018:

Receivable funds	Payable funds	Amount
General	*Nonmajor governmental funds:*	
	Wolf Creek ditch project	$ 36,800

The long-term interfund loan balances result from resources provided by the receivable fund to the payable fund to provide cash flow resources until anticipated revenues are received. Interfund loans payable/receivable between governmental funds are eliminated on the government-wide financial statements.

C. Amounts due to/from other funds consisted of the following at December 31, 2018, as reported on the fund financial statements:

	Due from other funds (receivable)	
Due to other funds (payable):	General	Nonmajor Governmental Funds
Maintenance and repair	$ 7	$ -
Nonmajor governmental funds	43,759	67,664
EMS	2	-
County sewer district	559	-
Total	$ 44,327	$ 67,664

Amounts due to/from other funds between governmental funds are eliminated for reporting on the statement of net position. Amounts due to/from other funds between governmental funds and enterprise funds are reported as a component of internal balance on the statement of net position.

D. Transfers are used to move revenues from the fund that statute or budget required to collect them to (1) the fund that statute or budget requires to expend them and (2) to use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended December 31, 2018, consisted of the following, as reported on the fund financial statements:

	Transfer from:		
Transfer to:	General	Nonmajor Governmental	Total
General	$ -	$ 11,401	$ 11,401
Nonmajor governmental funds	2,270,511	329,175	2,599,686
EMS	330,000	-	330,000
Total	$ 2,600,511	$ 340,576	$ 2,941,087

The transfer from the nonmajor governmental funds to the General fund was a transfer of residual equity upon fund closure.

Transfers among the governmental funds and transfers among the enterprise funds are eliminated on the government-wide financial statements.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to taxing districts their portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the governmental funds, property and other taxes receivable has been offset by a deferred inflow of resources for the current portion, since the current taxes were not levied to finance 2018 operations, and for the delinquent portion, since the collection of the taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as a revenue while on a modified accrual basis this amount is recorded as a deferred inflow of resources.

The full tax rate for all County operations for the year ended December 31, 2018 was $10.60 per $1,000 of assessed value. $1.90 per $1,000 of assessed value is levied for the general operations, while the remaining $8.70 is levied for the Seneca County Opportunity Center.

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

Real Property	$ 1,046,687,880	91.01 %
Public Utility Personal Property	103,444,250	8.99 %
Total Assessed Value	$ 1,150,132,130	100.00 %

NOTE 7 – PERMISSIVE SALES AND USE TAX

In November, 1988, the Citizens of Seneca County passed a one percent sales and use tax on all retail sales except sales of motor vehicles made in the County and on the storage, use or consumption in the County of tangible personal property. On January 1, 2004 the Commissioners imposed a four-year temporary one-half of one percent sales tax effective January 1, 2004 through December 31, 2007. On February 6, 2007 the Commissioners passed a resolution to make the one-half of one percent sales tax permanent. Proceeds of the tax are credited entirely to the General fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within the forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

A receivable is recognized at year-end for amounts that will be received from sales, which occurred during 2018. On an accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable not collected within the available period is recorded as a deferred inflow of resources.

NOTE 8 – RECEIVABLES

Receivables at December 31, 2018 consisted of taxes, interest, accounts (billings for user charged services including unbilled utility services), loans (community development block grant monies loaned to local businesses) and intergovernmental receivables arising from grants, entitlements and shared revenues. All intergovernmental revenues are considered collectible in full. Sewer enterprise fund receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Receivables recorded on the County's financial statements are recorded to the extent the amounts are determined material and substantiated, not only by supporting documentation, but also by a reasonable systematic method of determining their existence, completeness, valuations and collectability. Using these criteria, the County has elected to not record child support arrearages in the agency funds. These amounts, while potentially significant, are not considered measurable and, because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Loans receivable to be collected in the CDBG fund (a nonmajor governmental fund) amount to $113,439, of which $103,802 is expected to be collected in more than one year.

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A summary of the principal items of intergovernmental receivables follows:

Fund Type/Fund	*Description*		*Amount*
Major Funds			
General Fund	Local Government	$	365,645
	Homestead and Rollback		129,560
	Jail Housing		93,964
	Casino revenue		336,131
	Defense of Indigents		18,195
Total General Fund			943,495
Maintenance and Repair	Motor Vehicle License		877,598
	Gasoline Tax		1,170,628
	ODOT grant		127,738
Total Maintenance and Repair			2,175,964
Seneca County Opportunity Center			
	Homestead and rollback		249,699
Nonmajor Governmental Funds			
Victims of crime act	Grant		31,936
Public assistance fund	Grant		105,672
Children services	Grant		101,898
Wireless 911	Grant		7,064
Child support enforcement	Grant		64,778
Revolving loan	Subdivision		2,500
Children services	Reimbursements		28,647
Total Nonmajor Governmental Funds			342,495
Total		$	3,711,653

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NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018:

Governmental Activities:	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Non-depreciable Capital Assets				
Land and Improvements	$ 21,142,857	$ -	$ (9,750)	$ 21,133,107
Construction in Progress	12,668,653	3,625,196	(15,458,593)	835,256
Total Non-depreciable Capital Assets	33,811,510	3,625,196	(15,468,343)	21,968,363
Depreciable Capital Assets:				
Land Improvements	591,056	-	-	591,056
Buildings and Improvements	32,887,997	16,098,710	(79,661)	48,907,046
Machinery and Equipment	12,980,334	1,226,392	(764,117)	13,442,609
Infrastructure	52,109,071	1,383,667	(3,930,821)	49,561,917
Total Depreciable Capital Assets	98,568,458	18,708,769	(4,774,599)	112,502,628
Less: Accumulated Depreciation:				
Land Improvements	(138,127)	(39,403)	-	(177,530)
Buildings and Building Improvements	(18,621,085)	(1,214,361)	79,661	(19,755,785)
Machinery and Equipment	(10,623,676)	(705,035)	671,117	(10,657,594)
Infrastructure	(19,128,636)	(1,957,869)	2,429,394	(18,657,111)
Total Accumulated Depreciation	(48,511,524)	(3,916,668)	3,180,172	(49,248,020)
Total Depreciable Capital Assets, Net	50,056,934	14,792,101	(1,594,427)	63,254,608
Total Governmental Activities Capital Assets, Net	$ 83,868,444	$ 18,417,297	$ (17,062,770)	$ 85,222,971

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government:	
Legislative and executive	$ 1,308,085
Judicial	57,770
Public safety	141,839
Public works	2,267,721
Health	56,478
Human services	71,939
Conservation and recreation	12,836
Total Depreciation Expense	$ 3,916,668

Business-type Activities:	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Non-depreciable Capital Assets				
Land and Improvements	$ 26,243	$ -	$ -	$ 26,243
	26,243	-	-	26,243
Depreciable Capital Assets				
Buildings and Improvements	218,465	-	-	218,465
Machinery and Equipment	1,499,549	-	-	1,499,549
Infrastructure	6,708,356	-	-	6,708,356
Total Depreciable Capital Assets	8,426,370	-	-	8,426,370
Less: Accumulated Depreciation:				
Buildings and Improvements	(156,776)	(6,384)	-	(163,160)
Machinery and Equipment	(830,891)	(186,007)	-	(1,016,898)
Infrastructure	(1,315,089)	(169,210)	-	(1,484,299)
Total Accumulated Depreciation	(2,302,756)	(361,601)	-	(2,664,357)
Total Depreciable Capital Assets, Net	6,123,614	(361,601)	-	5,762,013
Business-Type Activities Capital Assets, Net	$ 6,149,857	$ (361,601)	$ -	$ 5,788,256

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:	
EMS enterprise	$ 182,149
County Sewer District enterprise	179,452
Total Depreciation Expense	$ 361,601

NOTE 10 – CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County entered into lease agreements for copier and scanning equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures in the budgetary statements.

Principal and interest payments during 2018 totaled $3,233 and were paid by the General fund. As of December 31, 2018, the liability for capital lease obligation included in the long-term liabilities of governmental activities totaled $5,652.

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

Year Ended December 31,	Amount
2019	$ 3,233
2020	2,694
Total	5,927
Less: amount representing interest	(275)
Present value of net minimum lease payments	$ 5,652

NOTE 11 – LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2018 is as follows:

	(Restated) Outstanding 12/31/17	Additions	Deductions	Outstanding 12/31/18	Amount Due Within One Year
Governmental Activities					
Special Obligation Bonds	$ 8,655,000	$ -	$ (260,000)	$ 8,395,000	$ 265,000
General Obligation Bonds	1,170,000	-	(530,000)	640,000	115,000
Joint Justice Center Loan	450,000	50,000	-	500,000	50,000
Compensated Absences	1,423,934	395,335	(26,115)	1,793,154	10,648
OWDA On-Lot Septic Loan	29,228	-	(5,314)	23,914	5,314
Net Pension Liability	28,632,536	-	(8,167,749)	20,464,787	-
Net OPEB Liability	12,068,803	1,318,946	(195,095)	13,192,654	-
Capital Lease Payable	8,524	-	(2,872)	5,652	3,019
Governmental Activities	$ 52,438,025	$ 1,764,281	$ (9,187,145)	45,015,161	$ 448,981
	Add: Unamortized Premium on Bond Issue:			435,756	
				$ 45,450,917	
Business-Type Activities					
Sewer District Improvement Revenue Bonds	$ 2,927,652	$ -	$ (54,000)	$ 2,873,652	$ 56,000
Compensated Absences	7,871	37,621	-	45,492	-
Net Pension Liability	482,581	-	(142,845)	339,736	-
Net OPEB Liability	208,784	21,842	-	230,626	-
OPWC Sewer Project Loan	5,133	-	(342)	4,791	1,026
Business-type Activities	$ 3,632,021	$ 59,463	$ (197,187)	$ 3,494,297	$ 57,026

Special Obligation Bonds

On July 7, 2016, the County issued $8,905,000 in series 2016 special obligation sales tax supported bonds to provide funds to pay part of the County's portion of the costs of the Joint Justice Center Project.

The series 2016 special obligation sales tax supported bonds are comprised of $8,395,000 in serial bonds outstanding at December 31, 2018. The interest rate on the current interest bonds range from 2% to 4%. The bonds were issued for a twenty-six year period, with a final stated maturity date of December 1, 2041. The bonds will be retired through the county sales tax bond retirement fund (a nonmajor governmental fund).

General Obligation Bonds

On June 9, 2009, the County issued $5,285,000 in general obligation refunding bonds to refund other general obligation bonds. General obligation bonds pledge the full faith and credit of the government. The general obligation bonds mature on December 1, 2023, and bear an annual interest rate of 2.00-5.00%. At December 31, 2018, the County had $640,000 in general obligation bonds outstanding. The general obligation refunding bonds are paid from the bond retirement fund (a nonmajor governmental fund) by money received from the leases to the various departments and other offices that also occupy the building and the balance from the General fund.

The County issued general obligation refunding bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $5,070,000 of general obligation bonds. The investments and fixed earnings are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of December 31, 2018, the amount of defeased debt amounted to $640,000.

Joint Justice Center Loan

On January 26, 2015 the County entered into an interest free loan agreement with North Central Ohio Education Service Center for up to $500,000. As of December 31, 2018, County has received the final loan proceeds totaling $500,000. Payments will be paid in quarterly payments of $12,500, until paid in full, immediately following a 12-month grace period after the date of the final disbursement. The loan will be paid from the General fund.

Sewer District Improvement Revenue Bonds

On June 21, 2012, the County authorized the issuance of $3,212,000 in sewer district improvement revenue bonds at an interest rate of 2.75% for the acquisition and construction of sewer systems throughout the County. This issuance is composed of $1,712,000 in series 2012A revenue bonds, $400,000 in series 2012B revenue bonds, and $1,100,000 in series 2012C revenue bonds. The bonds are liabilities of the County Sewer District enterprise fund, are payable with charges for sewer service, and are backed by the full faith and credit of the County should these revenues be insufficient to satisfy future debt service requirements. Principal and interest payments on the bonds during 2018 required 117.14% of net revenues and 26.77% of total revenues. The total principal and interest remaining to be paid on the bonds is $4,386,691. Principal and interest paid for the current year was $134,510, total net revenues were $114,829 and total revenues were $502,442.

Proceeds from the series 2012A and 2012B sewer district improvement revenue bonds were used for the construction of sewer lines and a wastewater treatment facility in the unincorporated community of Bascom in Hopewell Township. Principal payments on the series 2012A and 2012B bonds are payable annually on October 1, beginning in 2014 and continuing through 2051. Proceeds from the series 2012C sewer district improvement revenue bonds were used to acquire the Village of New Riegel's sewer operations through the retirement of the Village of New Riegel's outstanding sewer system mortgage revenue bonds. Principal payments on the series 2012C bonds began on October 1, 2012, and continue annually through 2051.

OWDA Loan

The County has an interest-free Ohio Water Development Authority (OWDA) loan which is paid directly from the EPA On-Lot Septic Grant capital projects fund with money received from repayment of loans to individuals. The OWDA loan is an interest free loan. Disbursement of the proceeds was not capitalized as an asset, therefore the balance of the OWDA loan is not included in the calculation of the County's net investment in capital assets.

OPWC Loan

The County has a loan from the Ohio Public Works Commission (OPWC) for the Honey Creek Sewer Separation Project which is reported as a liability of the County Sewer District enterprise fund and is paid directly from the user fees charged to residents of the sewer district. The OPWC loan is an interest free loan.

Capital Lease Obligation - Capital lease payments are made from the General fund. See Note 10 for detail on capital lease obligations.

Net Pension Liability and Net OPEB Liability - See Notes 14 and 15 for details.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid. Among the County's governmental activities, these funds include General fund, Maintenance and

Repair, Seneca County Opportunity Center and the following nonmajor governmental funds: Public Assistance, Real Estate Assessment, Ditch Maintenance, CSEA, DRETAC, Dog and Kennel, Community Corrections Grant, Emergency Management Agency, Delinquent Care and Custody Grant, Allen Eiry Guardianship, Victims of Crime Act Grant, Probate Court Programs, and Juvenile Court Programs. Compensated absences of the business-type activities will be made from the Emergency Medical Services and County Sewer District enterprise funds.

Legal Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The assessed valuation used in determining the County’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County’s voted legal debt margin was $26,712,303 at December 31, 2018 and the unvoted legal debt margin was $10,960,321 at December 31, 2018.

The following is a summary of the County's future annual debt service principal and interest requirements for long-term obligations of the governmental activities:

	General Obligation Bonds			OWDA On-Lot Septic Loan		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2019	$ 115,000	$ 26,560	$ 141,560	$ 5,314	$ -	$ 5,314
2020	125,000	21,788	146,788	5,314	-	5,314
2021	130,000	16,600	146,600	5,314	-	5,314
2022	135,000	11,205	146,205	5,315	-	5,315
2023	135,000	5,603	140,603	2,657	-	2,657
Total	$ 640,000	$ 81,756	$ 721,756	$ 23,914	$ -	$ 23,914

	Special Obligation Bonds			Joint Justice Center Loan		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2019	$ 265,000	$ 268,550	$ 533,550	$ 50,000	$ -	$ 50,000
2020	270,000	263,250	533,250	50,000	-	50,000
2021	275,000	257,850	532,850	50,000	-	50,000
2022	280,000	252,350	532,350	50,000	-	50,000
2023	285,000	245,350	530,350	50,000	-	50,000
2024 - 2028	1,555,000	1,106,425	2,661,425	250,000	-	250,000
2029 - 2033	1,805,000	854,800	2,659,800	-	-	-
2034 - 2038	2,160,000	490,800	2,650,800	-	-	-
2039 - 2042	1,500,000	90,900	1,590,900	-	-	-
Total	$ 8,395,000	$ 3,830,275	$ 12,225,275	$ 500,000	$ -	$ 500,000

The following is a summary of the County's future annual debt service requirements for long-term obligations of the business-type activities:

	OPWC Sewer Project Loan			Sewer District Improvement Revenue Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2019	$ 1,026	$ -	$ 1,026	$ 56,000	$ 79,025	$ 135,025
2020	685	-	685	57,000	77,486	134,486
2021	684	-	684	59,000	75,917	134,917
2022	685	-	685	62,000	74,295	136,295
2023	684	-	684	62,000	72,591	134,591
2024 - 2028	1,027	-	1,027	336,000	336,440	672,440
2029 - 2033	-	-	-	386,000	287,656	673,656
2034 - 2038	-	-	-	443,000	231,475	674,475
2039 - 2043	-	-	-	504,000	167,288	671,288
2044 - 2048	-	-	-	580,000	93,864	673,864
2049 - 2052	-	-	-	328,652	17,002	345,654
Total	$ 4,791	$ -	$ 4,791	$ 2,873,652	$ 1,513,039	$ 4,386,691

NOTE 12 – RISK MANAGEMENT

A. Property and Liability

The County is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County maintains liability insurance in the amount of $1,000,000 general aggregate. In addition, the County maintains replacement cost insurance on all buildings and their contents, with a $2,500 deductible on contents. Blanket building and personal property insurance are in the amount of $151,970,284, which includes builders risk coverage.

The County has additional insurance coverage in the following amounts for various items:

General Liability $1,000,000
Crime Coverage.. $1,000,000
Errors and Omissions Liability.................. $1,000,000
Employee Dishonesty................................ $1,000,000
Law Enforcement Liability $1,000,000
Equipment Breakdown Coverage.......... $100,000,000
Stop Gap Liability $1,000,000
Excess Liability $4,000,000
Flood $100,000,000

Foster Parents $5,000,000
Valuable Papers........................... $2,500,000
Prosecuting Attorney Defense.......... $25,000
Fleet Insurance:
Deductible $2,500
Liability $1,000,000
Uninsured/Underinsured Motorist.. $250,000
Sewer Lines................................. $3,802,115
Earthquake............................... $100,000,000

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

B. Worker's Compensation

The County participates in the County Commissioners Association of Ohio Workers' Compensation Group Retrospective Rating Program (the Program), an insurance purchasing pool. The Program is intended to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants of the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. In order to allocate the savings derived by formation of the Program, and to maximize the number of participants in the Program, the Program's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Program is limited to counties that can meet the Plan's selection criteria. The firm of CompManagement, Inc., provides administrative, cost control, and actuarial services to the Program to cover the costs of administering the Program.

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

C. Natural Gas

The County Commissioners Association of Ohio Service Corporation (CCAOSC) partnered with the Palmer Energy Company to help manage a natural gas program for member counties. The program was designed specifically to help counties save money on their natural gas bill by utilizing the strength of group buying. By grouping together, counties leverage their buying power when shopping the market, thus securing the best price possible. The independent energy professionals of the Palmer Energy Company, on behalf of the CCAOSC, obtain the best price for natural gas from various reputable suppliers through the RFP process. Advisory committee meetings are held for oversight purposes regarding the natural gas program. Presently there are over 54 counties participating. Those counties are collectively saving millions of dollars in the program.

NOTE 13 – EMPLOYEE BENEFITS

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time, not to exceed vacation earned in three years, is paid upon separation if the employee has at least one year of service with the County. Sick leave time may be accrued without limit. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

NOTE 14 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $2,550,592 for 2018. Of this amount, $70,833 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS) of Ohio

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For 2018, plan members were required to contribute 14% of their annual covered salary. The County was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The 2018 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $80,295 for 2018.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.129274%	0.111159%	0.065284%	0.005000%	
Proportion of the net pension liability/asset current measurement date	0.131682%	0.117856%	0.078923%	0.004687%	
Change in proportionate share	0.002408%	0.006697%	0.013639%	-0.000313%	
Proportionate share of the net pension liability	$ 19,773,939	$ -	$ -	$ 1,030,584	$ 20,804,523
Proportionate share of the net pension asset	-	(153,572)	(2,637)	-	(156,209)
Pension expense	4,432,516	24,792	(857)	68,020	4,524,471

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At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 20,193	$ -	$ 5,125	$ 23,790	$ 49,108
Changes of assumptions	2,363,118	13,421	313	182,638	2,559,490
Changes in employer's proportionate percentage/ difference between employer contributions	366,225	-	-	85,362	451,587
County contributions subsequent to the measurement date	2,450,531	57,337	42,724	39,987	2,590,579
Total deferred outflows of resources	$ 5,200,067	$ 70,758	$ 48,162	$ 331,777	$ 5,650,764
Deferred inflows of resources					
Differences between expected and actual experience	$ 389,681	$ 45,749	$ -	$ 6,731	$ 442,161
Net difference between projected and actual earnings on pension plan investments	4,245,201	24,227	742	62,495	4,332,665
Changes in employer's proportionate percentage/ difference between employer contributions	53,955	-	-	76,008	129,963
Total deferred inflows of resources	$ 4,688,837	$ 69,976	$ 742	$ 145,234	$ 4,904,789

$2,590,579 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019.

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
2019	$ 1,919,807	$ (7,704)	$ 587	$ 96,068	$ 2,008,758
2020	(245,333)	(8,365)	570	56,048	(197,080)
2021	(1,869,360)	(13,792)	472	19,329	(1,863,351)
2022	(1,744,415)	(13,222)	486	(24,889)	(1,782,040)
2023	-	(4,715)	714	-	(4,001)
Thereafter	-	(8,757)	1,867	-	(6,890)
Total	$ (1,939,301)	$ (56,555)	$ 4,696	$ 146,556	$ (1,844,604)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

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

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the County's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 35,113,476	$ 19,773,939	$ 6,985,386
Combined Plan	(83,480)	(153,572)	(201,931)
Member-Directed Plan	(1,511)	(2,637)	(3,777)

Actuarial Assumptions - State Teachers Retirement System (STRS) of Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.
Stallion

Actuarial assumptions used in the July 1 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	$ 1,505,032	$ 1,030,584	$ 629,028

NOTE 15 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability/asset on the accrual basis of accounting. Any liability/asset for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0%.

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

The County's contractually required contribution was $17,090 for 2018. Of this amount, $475 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS) of Ohio

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the year ended December 31, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB liability was measured as of June 30, 2018, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.125744%	0.005000%	
Proportion of the net OPEB liability/asset current measurement date	0.129140%	0.004687%	
Change in proportionate share	0.003396%	-0.000313%	
Proportionate share of the net OPEB liability	$ 13,423,280	$ -	$ 13,423,280
Proportionate share of the net OPEB asset	$ -	$ (75,000)	$ (75,000)
OPEB expense	$ 1,271,023	$ (164,904)	$ 1,106,119

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 10,457	$ 8,798	$ 19,255
Changes of assumptions	977,356	-	977,356
Changes in employer's proportionate percentage/ difference between employer contributions	266,329	-	266,329
County contributions subsequent to the measurement date	17,090	-	17,090
Total deferred outflows of resources	$ 1,271,232	$ 8,798	$ 1,280,030
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 4,389	$ 4,389
Net difference between projected and actual earnings on pension plan investments	999,945	8,604	1,008,549
Changes of assumptions	-	102,625	102,625
Changes in employer's proportionate percentage/ difference between employer contributions	14	11,163	11,177
Total deferred inflows of resources	$ 999,959	$ 126,781	$ 1,126,740

$17,090 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending December 31, 2019.

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

	OPERS	STRS	Total
Year Ending December 31:			
2019	$ 349,616	$ (20,985)	$ 328,631
2020	349,616	(20,985)	328,631
2021	(195,061)	(20,985)	(216,046)
2022	(249,986)	(19,031)	(269,017)
2023	(2)	(18,348)	(18,350)
Thereafter	-	(17,649)	(17,649)
Total	$ 254,183	$ (117,983)	$ 136,200

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75%, including wage inflation
Single Discount Rate:	
Current measurement date	3.85%
Prior Measurement date	4.23%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Health Care Cost Trend Rate	7.5%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23% was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85%, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85%) or one-percentage-point higher (4.85%) than the current rate:

	1% Decrease (2.85%)	Single Discount Rate (3.85%)	1% Increase (4.85%)
County's proportionate share of the net OPEB liability	$17,833,408	$ 13,423,280	$ 9,855,532

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$ 12,843,218	$ 13,423,280	$ 14,022,470

Actuarial Assumptions - State Teachers Retirement System (STRS) of Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018		July 1, 2017
Inflation	2.50%		2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation
Payroll increases	3.00%		3.00%
Cost-of-living adjustments (COLA)	0.00%		0.00%, effective July 1, 2017
Discounted rate of return	7.45%		N/A
Blended discount rate of return	N/A		4.13%
Health care cost trends			6.00 to 11.00% initial, 4.50% ultimate
	Initial	Ultimate	
Medicial			
Pre-Medicare	6.00%	4.00%	
Medicare	5.00%	4.00%	
Prescription Drug			
Pre-Medicare	8.00%	4.00%	
Medicare	-5.23%	4.00%	

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

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

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

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

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

Discount Rate **-** The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2017. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB liability as of June 30, 2018.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate **-** The following table represents the net OPEB liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	$ 64,553	$ 75,000	$ 84,363

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 83,852	$ 75,000	$ 66,648

NOTE 16 – BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General fund, Maintenance and Repair fund, and Seneca County Opportunity Center fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	General Fund	Maintenance and Repair Fund	Seneca County Opportunity Center
Budget basis	$ (2,578,300)	$ (342,259)	$ 1,076,312
Net adjustment for revenue accruals	(22,808)	97,330	(138,148)
Net adjustment for expenditure accruals	(214,331)	(239,432)	(61,486)
Net adjustment for other sources/uses	888,378	-	-
Funds budgeted elsewhere	1,202,462	-	-
Adjustment for encumbrances	1,128,497	912,128	844,939
GAAP basis	$ 403,898	$ 427,767	$ 1,721,617

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. These include the Metal Expense Rotary fund, Sheriff Rotary fund, Unclaimed Monies fund, Hazardous Materials fund, Clerk of Courts Title Administration fund, Public Safety Rental fund, Recorder Equipment fund, Employee Benefits fund, and Underground Storage Tank fund.

NOTE 17 – CONTINGENT LIABILITIES

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies on their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be not be material.

The County is named among defendants in pending litigation. Plaintiffs are seeking damages in excess of one million dollars from all defendants; however, as of December 31, 2018, the likelihood of a successful claim against the County is not known.

NOTE 18 – CONDUIT DEBT OBLIGATIONS

The County has previously issued Hospital and Healthcare Facilities Revenue Refunding Bonds to provide financial assistance to the Flat Rock Homes, Good Shepherd Home, St. Francis Home, Inc., Project and Catholic Healthcare Partners. During 2013 the County issued Health Care Facilities Revenue Bonds to provide assistance to Volunteers of America Rehabilitation Centers, Inc. and Economic Development and Lease Revenue Bonds to provide assistance to Heidelberg University. The bonds are secured by the properties financed and are payable solely from the payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entities served by the issuances. Neither Seneca County, the State of Ohio, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds or lease; therefore, these obligations are not reported as liabilities in the accompanying financial statements. As of December 31, 2018, an estimated $560,491,527 in revenue bond obligations were outstanding.

NOTE 19 – PUBLIC ENTITY RISK POOLS

A. County Risk Sharing Authority (CORSA)

The County is a member of CORSA, which is a public entity risk sharing pool of thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit 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. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

B. County Commissioners Association of Ohio Service Corporation (CCAOSC)

The County is participating in the County Commissioners Association of Ohio Service Corporation (CCAOSC), a pool established under the rules of Ohio Revised Code Section 4123.29, which permits the establishment of employer group rating plans. The CCAOSC was established through the County CommissionersAssociation of Ohio (CCAO) in order to group the experience of employers for workers' compensation rating purposes.

CCAOSC retains the services of a third party administrator (TPA) in the administration of workers' compensation claims. A Group Executive Committee consists of seven members. Two of the members are president and treasurer, the remaining five members, who must be county commissioners, are elected by the participants. The Group Executive Committee calculates annual rate contributions and rebates, approves the selection of a TPA, approves proposed TPA fees and determines eligibility of participants. The County may withdraw from the group with sixty days written notice and is responsible for payment of its workers' compensation with no further responsibilities or equity. Further financial information for the County Commissioner Association of Ohio Service Corporation can be seen in the CCAO Treasurer's Report as of December 31, 2018.

NOTE 20 – JOINT VENTURES

A. Sandusky County-Seneca County-City of Tiffin Port Authority

Seneca County joined Sandusky County and the City of Tiffin in a joint venture, as described in Note 1, to purchase a railroad line from Tiffin to Woodville. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City and resolutions by the Counties. Any real or personal property will be returned to the subdivision from which it was received. Upon dissolution of the Port Authority, any personal property belonging to the Port Authority will be distributed equally to the City and the Counties after paying all expenses and debts. Non-interest revenue bonds were issued by the Port Authority during 1989 to purchase 25.1 miles of railroad in May 1990. Debt service requirements are secured by future revenue from shippers who will utilize the railroad. Principal is payable on the bonds through 2028. Summary financial information for the Port Authority for the year ended December 31, 2018 is presented below. Further financial information is in the Sandusky County-Seneca County-City of Tiffin Port Authority financial report for the year ending December 31, 2018.

	Joint Venture	County Share
Total Assets	$ 4,916,062	$ 1,638,687
Total Liabilities	(535,352)	(178,451)
Net Position	$ 4,380,710	$ 1,460,236
Revenues	$ 276,492	$ 92,164
Expenses	(226,459)	(75,486)
Increase in Net Position	$ 50,033	$ 16,678

B. Ottawa, Sandusky, Seneca Solid Waste District

Seneca County has also entered into a joint venture with Ottawa and Sandusky Counties to form the Ottawa, Sandusky, Seneca County Solid Waste District. The Counties contributed no initial funding and the District is funded entirely by fees. In the event that fees are not sufficient for the operations, the counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective counties bears to the total population of all counties. Seneca County's share of the total is approximately 35.67%. Summary financial information as of, and for the fiscal year ended December 31, 2018 is presented below:

	Joint Venture	County Share		Population	Equity Percent
Beginning Net Position	$ 2,942,788	$ 1,049,669	Ottawa	40,769	26.34%
Revenues	1,314,010	468,697	Sandusky	58,799	37.99%
Expenses	(1,905,788)	(679,779)	Seneca	55,207	35.67%
Ending Net Position	$ 2,351,010	$ 838,587	Total	154,775	100.00%

Summary financial information on the Ottawa, Sandusky, Seneca County Solid Waste District is unaudited cash basis financial data. Further information was not available at this time. Additional financial information can be obtained from the Sandusky County, Ohio Auditor.

C. Mental Health and Recovery Services Board (MHRS)

The Mental Health and Recovery Services Board (MHRS) is a governmental joint venture between Seneca, Sandusky, and Wyandot counties. The MHRS Board provides mental health education, consultation, training and referral services to the public. Seneca County serves as the fiscal agent of the MHRS Board. The counties share in the equity of the MHRS Board based on the percentages of population within the three counties. Seneca County's share of the total is approximately 40.61%.

Summary financial information as of, and for the year ended December 31, 2018 is presented below. Further financial information can be found in the Annual Financial Report of the Mental Health and Recovery Services Board of Seneca, Sandusky, and Wyandot Counties as of December 31, 2018.

	Joint Venture	County Share		Population	Equity Percent
Beginning Net Position	$ 4,960,983	$ 2,014,705	Sandusky	58,799	43.25%
Revenues	5,478,217	2,224,759	Seneca	55,207	40.61%
Expenses	(4,862,487)	(1,974,705)	Wyandot	21,935	16.14%
Ending Net Position	$ 5,576,713	$ 2,264,759	Total	135,941	100.00%

D. Northland Homes and Properties, Inc.

Northland Homes and Properties, Inc. is a not-for-profit corporation organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code of 1986. The corporation is a joint effort of the DD Boards of Seneca, Crawford and Marion counties to provide a lifetime of affordable housing and residential services to citizens with developmental disabilities. The corporation is governed by a board of at least ten Trustees with each participating county board of developmental disabilities appointing two. The Trustees shall serve a maximum of three consecutive three-year terms. The housing purchases are financed by State grants that are distributed to each Board of DD and then to the Corporation. The Boards of DD also fund the operational costs of the Corporation.

Upon dissolution of the corporation, the Board of Trustees shall distribute all remaining assets of the corporation to the participating county boards of developmental disabilities.

Summary financial information as of, and for the fiscal year ended December 31, 2018 is presented below. Further financial information can be found in the Northland Homes and Properties, Inc. financial report as of December 31, 2018.

	Joint Venture	County Share
Total Assets	$ 2,578,820	$ 859,607
Total Liabilities	(638,340)	(212,780)
Net Position	$ 1,940,480	$ 646,827
Revenues	$ 523,997	$ 174,666
Expenses	(408,400)	(136,133)
Increase in Net Position	$ 115,597	$ 38,533

NOTE 21 – SENECA RE-AD INDUSTRIES, INC. - COMPONENT UNIT

Seneca Re-Ad Industries, Inc. is a not-for-profit corporation duly organized under Chapter 1702 O.R.C., and classified as a 501(c)(3) nonprofit corporation. It has contracted with the Seneca County Board of DD to provide sheltered employment for developmentally disabled or handicapped adults in Seneca County. Responsibility for the provision of sheltered employment is with the Board of Trustees of Seneca Re-Ad Industries, Inc., an eight member self-appointing board that operates within the defined duties and stated rules of Seneca County Board of DD. The Seneca Re-Ad Industries, Inc. receives all reasonable and just utility costs for the basic operation of this program from Seneca County Board of DD. The staff, facilities, equipment, supplies and materials necessary for basic operation and care of the grounds and facility for the Seneca Re-Ad Industries, Inc. program are also provided by Seneca County Board of DD. In the event of dissolution of the non-profit corporation or the cancellation of the contract between Seneca County Board of DD and Seneca Re-Ads Industries, Inc., all materials and equipment purchased by the Seneca Re-Ad Industries, Inc. Board would become the property of the Seneca County Board of DD.

Seneca Re-Ad Industries, Inc. has a June 30 reporting year-end; therefore, all information pertaining to the industries will be presented as of and for the year ended June 30, 2018. Further financial information can be seen in the Seneca Re-Ad Industries, Inc. Financial Report as of June 30, 2018 available from Reichert & Associates, CPA's, 206 West Hardin Street, Findlay, Ohio 45840.

Seneca Re-Ad Industries, Inc. provides therapeutic activities, vocational training, and sheltered employment for developmentally disabled persons of Seneca County, Ohio. Seneca Re-Ad Industries, Inc. also fosters the development of integrated programs and promotes the general welfare of the developmentally disabled without regard to race, color, creed, sex or national origin.

A. Significant Accounting Policies - Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting. The accounts of the entity are organized on the basis of one operating fund.

Not Donor Restricted Funds represent amounts received from service charges from industry, interest income and donations. Unrestricted funds represent the portion of expendable funds that are available for the budgeted operations of the entity.

Donor Restricted Funds consist of program revenues received from varying funding sources. Satisfaction of the donor restriction is made when the revenue is applied to the cost of a project or when authorization is received from the grantor for special purchases. Donor restricted funds must be used in accordance with grant agreements with the funding sources. There are no temporarily restricted funds at fiscal year end.

Capital Assets: Equipment values, purchased and donated, are assigned original acquisition costs. Donated capital assets are capitalized at fair value on the date donated. Seneca Re-Ad maintains a capitalization threshold of five hundred dollars.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. Cash and Cash Equivalents - Cash and cash equivalents are made up of the following:

	Fair Value		Fair Value
PNC Bank	$ 309,515	Superior Credit Union	$ 186,992
Croghan Colonial Bank	4,384	Republic Bank	75,832
First Bank	47,889	First National Bank	264,069
Fifth Third CD	47,523	Huntington Bank	87,330
Old Fort Bank CD	68,827	Petty Cash Funds	450
		Total Cash and Short-Term Investments	$ 1,092,811

FDIC Insurance insures all funds up to $250,000 for each non-interest and interest bearing bank account. At fiscal year end 2018, deposits of $101,446 were uninsured and susceptible to custodial credit risk.

C. Capital Assets - A summary of changes in capital assets by class during the fiscal year ended June 30, 2018 are as follows:

	Balance at 6/30/2017	Additions	Deletions	Balance at 6/30/2018
Land	$ 2,945	$ -	$ -	$ 2,945
Building	130,590	-	-	130,590
Furniture and Fixtures	53,453	-	-	53,453
Machinery and Equipment	384,401	-	-	384,401
Vehicles	103,896	-	-	103,896
Subtotal	675,285			675,285
Accumulated Depreciation	(555,921)	-	(22,311)	(578,232)
Net Capital Assets	$ 119,364	$ -	$ (22,311)	$ 97,053

Depreciation is provided using the straight-line basis over the estimated useful lives of the assets. Depreciable lives used for the building is forty years and for vehicles, machinery and equipment is five or ten years.

D. Federal Taxes - The entity has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code and is exempt from federal income tax under Section 501(c)(3). The entity's Forms 990, Return of Organization Exempt from Income Tax, for the fiscal years ending 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they are filed.

E. Lease Agreements - Seneca Re-Ad Industries, Inc. has a lease agreement with the Seneca County Board of Developmental Disabilities. The Seneca County Board of Developmental Disabilities is to provide the workshop with a facility, staff and other expenses at the Seneca County Opportunity Center for $1 per year. In return, the workshop is to provide the equipment and operating expenses. The lease agreement is renewed annually and can be renewed at the end of each three-year term for another three-year term.

F. Board of DD In-Kind Contributions - Roppe Rubber has entered into an agreement with the Seneca County Commissioners. Roppe Rubber is providing building space to carry on workshop activities including maintenance, insurance, and taxes. As long as the workshop performs work and assembles parts and products for Roppe Rubber, no rent will be charged for the use of the building. An in-kind contribution has been added to the financial statement totaling $69,600 calculated at $5,800 per month for 21,600 square feet.

The Seneca Board of Developmental Disabilities provides salaries, benefits, workshop space and other costs to Seneca Re-Ad Industries. The value of the in-kind contribution has been determined in accordance with the formula developed by the Ohio Association of Adult Services. In-kind contributions from the Seneca Board of DD amounted to $725,159.

G. Accrued Vacation- A liability for accrued vacation for $21,378 has been recognized. Vacation is accumulated based on length of service. Employees are eligible for five days paid vacation after one year of employment and ten days paid vacation after five years of employment.

H. Significant Concentration of Business with Customer - For fiscal year 2018, Roppe Rubber provided 84% of the revenue and services to Seneca Re-Ad. The volume of business, if canceled, would have a severe impact on the production operations of Seneca Re-Ad. However, management would still carry on mental health programs regardless of services it could lose until new customers were secured. Management is unsure of the risk of Roppe Rubber canceling during the next year or thereafter; however, services have remained about the same during the last three fiscal years.

NOTE 22 – SENECA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

A. Description of the Entity

The Seneca County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on November 19, 2015 when the Seneca County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Seneca County (the County). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including the County Treasurer, two members of the County Board of Commissioners, one member who is a representative of the largest municipality in the County, and one member who is a representative of the second largest municipality in the County.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Seneca County, Ohio.

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation's significant accounting policies are described below.

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's General fund is its only governmental fund.

C. Fund Accounting

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

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following is the Corporation's only governmental fund:

General fund - The General fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The General fund receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and

Collection (DRETAC) fund. The General fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

The General fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General fund. For 2018, there were no differences between the government-wide statements and the General fund.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. The General fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

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

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

Expenses/Expenditures

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

F. Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Corporation did not adopt an annual budget prior to the beginning of the year or approve appropriations and subsequent amendments during the year.

G. Federal Income Tax

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

H. Cash and Investments

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

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

I. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

J. Assets held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. Purchased properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. Donated or forfeited properties are reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

L. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2018.

M. Intergovernmental Revenue

The Corporation receives operating income the County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

N. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, assets held for resale and prepaid amounts.

Restricted - The restricted classification is used 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 imposed by law through constitutional provisions or enabling legislation.

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

Assigned - Assigned fund balance includes amounts that are constrained by the Corporation's intent to be used for specific purposes, but are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors has by resolution authorized the Treasurer to assign fund balance.

Unassigned - Unassigned fund balance is the residual classification for the General fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Estimates

The preparation of the basic financial statements in conformity with GAAP requirements management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2018.

Q. Change in Accounting Principles

For the year ended December 31, 2018, the Corporation has presented for the first time its basic financial statements in accordance with GAAP. In conjunction with this presentation, the Corporation has converted its governmental fund to the modified accrual basis of accounting and its governmental activities to the accrual basis of accounting.

Modified Accrual and Accrual Basis Adjustments - the conversion of the activities from the cash-basis of accounting to the modified accrual and accrual basis of accounting required certain adjustments to be recorded at December 31, 2017 to the net cash position as previously reported to reflect the prior year's effect of adopting these accounting principles.

The restatement to the December 31, 2017 cash fund balance for the Corporation follows:

	General Fund/ Governmental Activities
Cash fund balance/net cash position, December 31, 2017	$ 42,472
Modified accrual basis adjustments:	
Intergovernmental receivable	20,179
Prepayments	4,293
Assets held for resale	25,900
Restated fund balance/net position, December 31, 2017	$ 92,844

R. Deposits and Investments

At December 31, 2018, the carrying amount of all Corporation deposits was $95,313. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2018, the entire amount of the Corporation's bank balance of 224,018 was covered by the Federal Deposit Insurance Corporation (FDIC).

S. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation contracted with The Cincinnati Specialty Underwriters Insurance Company from January 1, 2018 through April 30, 2018 and the County Risk Sharing Authority (CORSA) from May 1, 2018 through December 31, 2108, for liability insurance.

The limitations of coverages with CORSA are as follows:

Coverage	Limit/Occurrence
General liability	$1,000,000
Automobile liability	$1,000,000
Errors and omissions liability	$1,000,000
Ohio stop gap employers' liability	$1,000,000
Employee benefits liability	$1,000,000
Attorney disciplinary proceedings	$25,000
Declaratory, injunctive or equitable relief	$25,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage the past two years and there was no significant change in insurance coverage from the prior year.

T. Transactions with Seneca County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund and will be available for appropriation by the Corporation to fund operations.

At December 31, 2018, the Corporation recognized revenues of $111,545 for these fees that were collected by the County in 2018. The Corporation also received $300,000 in an advance from the County that will be repaid with future revenues. This amount is reported as "due to primary government - advance" in the basic financial statements.

NOTE 23 – SENECA COUNTY TRANSPORTATION IMPROVEMENT DISTRICT - COMPONENT UNIT

A. Description of the Entity

The Seneca County Transportation Improvement District (the District), is a body politic and corporate, created for the purpose to acquire, construct, enlarge, improve, equip, sell, lease, lease-purchase, exchange, or otherwise dispose of property, structures, and other facilities for transportation projects. The District was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The District was created by action of the Board of Seneca County Commissioners on October 25, 2017.

The District is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of one year and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Seneca County Commissioners, one nonvoting member is appointed by the Speaker of the Ohio House of Representatives of the general assembly, and one nonvoting member is appointed by the President of the Senate of the general assembly.

The District is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus", the District's primary government and basic financial statements include components units which are defined as legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of organization. The District does not have any component units and does not include any organizations in its presentation. The District's management believes these basic financial statements present all activities for which the District is financially accountable. The District is a component unit of Seneca County, Ohio.

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

B. Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the District that are governmental and those that are business-type. The District, however, does not have any business-type activities or fiduciary funds.

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

Fund Financial Statements During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column; however, the District did not have any nonmajor funds in 2018 since all funds were considered as major.

C. Fund Accounting

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

Governmental Funds Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental funds' assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General fund accounts for all financial resources except those required to be accounted for in another fund. The General fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fair Lane Extension Grant Fund - The Fair Lane Extension Grant fund is used to account for grant monies for the design, upgrade, and/or construction of public roadways in the vicinity of the fairgrounds.

D. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government- wide statements and the statements for governmental funds. At December 31, 2018, there were no differences between the government-wide statements and the statements for governmental funds.

E. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at fiscal year-end.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue could include intergovernmental receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. At December 31, 2018, the District did not have deferred outflows/inflows of resources.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

F. Budgetary Process

The District is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The District did not adopt an annual budget prior to the beginning of the year or approve appropriations and subsequent amendments during the year.

G. Cash and Cash Equivalents

The Seneca County Treasurer maintains a cash and investment pool used for all County and the District's funds. The District has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment by Surety Company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

H. Capital Assets

The District reports no capital assets.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. At December 31, 2018, payables consisted of accounts payable of $60,278.

J. Receivables

At December 31, 2018, receivables consisted of an intergovernmental receivable of $60,278 from the Ohio Department of Transportation.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District 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 classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, assets held for resale and prepaid amounts.

Restricted - The restricted fund balance is used when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling 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 Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Trustees.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

L. Net Position

The District applies restricted resources first when an expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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. The District had no restricted net position at December 31, 2018.

M. Estimates

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

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District Administration and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during 2018.

O. Risk Management

The District is covered under Seneca County's County Risk Sharing Authority (CORSA) insurance policy.

P. Contingencies

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

Q. Other Revenue

In 2018, General fund other receipts consisted of receiving $5,000 in contributions from Seneca County.

NOTE 24 – RELATED PARTY TRANSACTIONS

For the year ended December 31, 2018 the County participated in the following related party transactions:

Related Party	Purpose	Amount
Soil and Water Conservation District	Flood Plain Administration	$ 10,000
Seneca County Regional Planning Commission	Assessment	82,901
Total		$ 92,901

NOTE 25 – JOINT USE, MANAGEMENT AND LEASE AGREEMENT

On September 22, 2015, the County entered into an agreement with the City of Tiffin in which both parties agreed to provide financing, construction and improvements for the Joint Justice Center. The County is responsible for 75% of the annual operating costs and the City of Tiffin is responsible for the remaining 25%. Each party is also must contribute monies for capital costs of improvements to the Joint Justice Center, the

Justice Center Site and replacing or improving furniture, furnishings and equipment. The County is responsible for contributing $30,000 and the City is responsible for contributing $10,000. Those contributions increase by three percent each fiscal year.

On May 17, 2018, the County entered into an agreement with the City of Tiffin and the City of Fostoria for the reimbursement of services associated with the current contract with the County and Inspiron Logistics, Wireless Emergency Notification System for a period of three years, beginning June 1, 2018 thru May 30, 2021.

NOTE 26 – FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of resources in the governmental funds.

Constraints placed on fund balances for the governmental funds are presented below:

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Fund balance	General	Maintenance and Repair	Seneca County Opportunity Center	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	$ 61,921	$ 519,406	$ 13,508	$ 3,007	$ 597,842
Prepayments	216,491	12,973	59,427	63,144	352,035
Unclaimed monies	205,286	-		-	205,286
Long-term loans	36,800	-	-	-	36,800
Total nonspendable	520,498	532,379	72,935	66,151	1,191,963
Restricted:					
Capital projects	-	-	-	334,364	334,364
Grants and specific programs	-	-	-	4,200,681	4,200,681
SCOC programs	-	-	10,450,657	-	10,450,657
Human services programs	-	-	-	1,391,075	1,391,075
Roads and bridges	-	15,446,239	-	-	15,446,239
Community and economic development	-	-	-	508,129	508,129
Public safety	-	-	-	1,000	1,000
Total restricted	-	15,446,239	10,450,657	6,435,249	32,332,145
Committed:					
Underground storage tank	11,855	-	-	-	11,855
Total committed	11,855	-	-	-	11,855
Assigned:					
Debt service	-	-	-	97,188	97,188
Capital projects	-	-	-	403,656	403,656
Grants and specific programs	12,239	-	-	-	12,239
General government	1,924,507	-	-	-	1,924,507
Public safety	85,295	-	-	-	85,295
Conservation and recreation	4,057	-	-	-	4,057
Health	256	-	-	-	256
Human services	139,796	-	-	-	139,796
Employee benefits	325,850	-	-	-	325,850
Public works	75	-	-	-	75
Subsequent year appropriations	2,183,324	-	-	-	2,183,324
Total assigned	4,675,399	-	-	500,844	5,176,243
Unassigned (deficit)	2,304,974	-	-	(293,332)	2,011,642
Total fund balances	$ 7,512,726	$ 15,978,618	$ 10,523,592	$ 6,708,912	$ 40,723,848

NOTE 27 – OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

Fund		Encumbrances
General fund	$	903,648
Maintenance and Repair fund		906,307
Seneca County Opportunity Center		705,174
Nonmajor governmental funds		1,276,411
Total	$	3,791,540

NOTE 28 – TAX ABATEMENTS

As of December 31, 2018, the County provides tax abatements through two programs - Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the Agreement) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The County has entered into Economic Zone (EZ) tax abatement agreements for the abatement of real property taxes with the City of Tiffin and the City of Fostoria. The total value of the County's share of taxes abated from EZ and CRA programs in 2018 was $181 and $15,880, respectively.

NOTE 29 – SUBSEQUENT EVENTS

On March 14, 2019, the County entered into a $1.53 million contract with Clouse Construction Corporation for the Seneca County School of Opportunity Center's mechanical and roofing upgrades.

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FIVE YEARS

	2018	2017	2016	2015	2014
Traditional Plan:					
County's proportion of the net pension liability	0.131682%	0.129274%	0.129323%	0.127219%	0.127219%
County's proportionate share of the net pension liability	$ 19,773,939	$ 27,927,276	$ 21,469,046	$ 14,684,663	$ 14,352,986
County's covered payroll	$ 16,818,677	$ 16,321,667	$ 14,434,208	$ 15,229,083	$ 16,090,392
County's proportionate share of the net pension liability as a percentage of its covered payroll	117.57%	171.11%	148.74%	96.43%	89.20%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan:					
County's proportion of the net pension asset	0.117856%	0.111159%	0.110370%	0.116450%	0.110645%
County's proportionate share of the net pension asset	$ 153,572	$ 58,857	$ 51,463	$ 40,770	$ 11,111
County's covered payroll	$ 459,185	$ 432,683	$ 389,575	$ 404,450	$ 346,754
County's proportionate share of the net pension asset as a percentage of its covered payroll	33.44%	13.60%	13.21%	10.08%	3.20%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	104.56%
Member Directed Plan:					
County's proportion of the net pension asset	0.078923%	0.065284%	0.071569%	n/a	n/a
County's proportionate share of the net pension asset	$ 2,637	$ 259	$ 274	n/a	n/a
County's covered payroll	$ 411,510	$ 268,300	$ 394,092	n/a	n/a
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE YEARS

	2018	2017	2016	2015	2014
County's proportion of the net pension liability	0.004687%	0.005000%	0.004600%	0.004888%	0.004711%
County's proportionate share of the net pension liability	$ 1,030,584	$ 1,187,841	$ 1,539,826	$ 1,351,019	$ 1,145,990
County's covered-employee payroll	$ 561,850	$ 561,850	$ 564,600	$ 553,757	$ 555,685
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	183.43%	211.42%	272.73%	243.97%	206.23%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	75.30%	66.80%	72.10%	74.70%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	2018	2017	2016	2015
Traditional Plan:				
Contractually required contribution	$ 2,450,531	$ 2,186,428	$ 1,958,600	$ 1,732,105
Contributions in relation to the contractually required contribution	(2,450,531)	(2,186,428)	(1,958,600)	(1,732,105)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 17,503,793	$ 16,818,677	$ 16,321,667	$ 14,434,208
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
Combined Plan:				
Contractually required contribution	$ 57,337	$ 59,694	$ 51,922	$ 46,749
Contributions in relation to the contractually required contribution	(57,337)	(59,694)	(51,922)	(46,749)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 409,550	$ 459,185	$ 432,683	$ 389,575
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
Member Directed Plan:				
Contractually required contribution	$ 42,724	$ 41,151	$ 32,196	$ 47,291
Contributions in relation to the contractually required contribution	(42,724)	(41,151)	(32,196)	(47,291)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 427,240	$ 411,510	$ 268,300	$ 394,092
Contributions as a percentage of covered payroll	10.00%	10.00%	12.00%	12.00%

Note: Information prior to 2010 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010	
$	1,827,490	$	2,091,751	$	1,624,062	$	1,683,932	$	1,571,134
	(1,827,490)		(2,091,751)		(1,624,062)		(1,683,932)		(1,571,134)
$	-	$	-	$	-	$	-	$	-
$	15,229,083	$	16,090,392	$	16,240,620	$	16,839,320	$	17,613,610
	12.00%		13.00%		10.00%		10.00%		8.92%
$	48,534	$	45,078	$	22,098	$	20,450	$	25,508
	(48,534)		(45,078)		(22,098)		(20,450)		(25,508)
$	-	$	-	$	-	$	-	$	-
$	404,450	$	346,754	$	277,962	$	257,233	$	263,240
	12.00%		13.00%		7.95%		7.95%		9.69%

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2018	2017	2016	2015
Contractually required contribution	$ 80,295	$ 78,659	$ 79,044	$ 77,526
Contributions in relation to the contractually required contribution	(80,295)	(78,659)	(79,044)	(77,526)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 573,536	$ 561,850	$ 564,600	$ 553,757
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010		2009	
$	72,239	$	67,434	$	66,845	$	74,025	$	72,698	$	76,686
	(72,239)		(67,434)		(66,845)		(74,025)		(72,698)		(76,686)
$	-	$	-	$	-	$	-	$	-	$	-
$	555,685	$	518,723	$	514,192	$	569,423	$	559,215	$	589,892
	13.00%		13.00%		13.00%		13.00%		13.00%		13.00%

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TWO YEARS

	2018	**2017**
County's proportion of the net OPEB liability	0.129140%	0.125744%
County's proportionate share of the net OPEB liability	$ 13,423,280	$ 12,700,586
County's covered payroll	$ 17,689,372	$ 17,022,650
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	75.88%	74.61%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.15%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO YEARS

	2018	2017
County's proportion of the net OPEB liability	0.004687%	0.005000%
County's proportionate share of the net OPEB liability (asset)	$ (75,000)	$ 195,095
County's covered-employee payroll	$ 561,850	$ 564,600
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	13.35%	34.55%
Plan fiduciary net position as a percentage of the total OPEB liability	176.00%	47.10%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	2018	2017	2016	2015
Contractually required contribution	$ 17,090	$ 193,853	$ 336,197	$ 296,476
Contributions in relation to the contractually required contribution	(17,090)	(193,853)	(336,197)	(296,476)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 18,340,583	$ 17,689,372	$ 17,022,650	$ 15,217,875
Contributions as a percentage of covered payroll	0.09%	1.10%	1.97%	1.95%

Note: Information prior to 2010 not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010	
$	333,730	$	160,446	$	644,704	$	665,686	$	874,963
	(333,730)		(160,446)		(644,704)		(665,686)		(874,963)
$	-	$	-	$	-	$	-	$	-
$	15,633,533	$	16,437,146	$	16,518,582	$	17,096,553	$	17,876,850
	2.13%		0.98%		3.90%		3.89%		4.89%

SENECA COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 573,536	$ 561,850	$ 564,600	$ 553,757
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010		2009	
$	4,965	$	5,187	$	5,141	$	5,694	$	5,592	$	5,478
	(4,965)		(5,187)		(5,141)		(5,694)		(5,592)		(5,478)
$	-	$	-	$	-	$	-	$	-	$	-
$	555,685	$	518,723	$	514,192	$	569,423	$	559,215	$	589,892
	0.89%		1.00%		1.00%		1.00%		1.00%		0.93%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

SENECA 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**	**Passed Through to Subrecipients**	**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 Program	10.561	G-1819-11-5804		$ 274,395
Passed Through Ohio Department of Education				
Child Nutrition Cluster				
National School Lunch Program				
NonCash Assistance (Food Distribution)	10.555	IRN066241		9,154
Cash Assistance	10.555	IRN066241		1,011
NonCash Assistance (Food Distribution)	10.555	IRN093286		19,145
Total CFDA #10.555				29,310
School Breakfast Program	10.553	IRN093286		10,386
Total Child Nutrition Cluster				39,696
Total U.S. Department of Agriculture				314,091
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Ohio Department of Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-17-1CQ-1		273,234
U.S. DEPARTMENT OF JUSTICE				
Passed Through the Ohio Attorney General				
Crime Victim Assistance	16.575	2018-VOCA-109844068		154,824
Crime Victim Assistance	16.575	2018-SVAA-109844073		5,897
Crime Victim Assistance	16.575	2019-VOCA-132134390		38,864
Crime Victim Assistance	16.575	2019-SVAA-132134394		1,110
Total CFDA #16.575				200,695
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2017-MO-BX-0016		63,207
Total U.S. Department of Justice				263,902
U.S. DEPARTMENT OF LABOR				
Passed Through Montgomery County Workforce Investment Act (WIA) Area 7				
WIOA Cluster				
WIA/WIOA Adult Programs	17.258	2018-7174-1		22,257
WIA/WIOA Youth Activities	17.259	2018-7174-1	$ 50,159	67,437
WIA/WIOA Dislocated Worker Formula Grants	17.278	2018-7174-1		37,992
Total WIOA Cluster			50,159	127,686
Employment Services Cluster				
Employment Service/Wagner-Peyser Funded Activities	17.207	2018-7174-1		11,060
Trade Adjustment Assistance	17.245	2018-7174-1		2,055
Total U.S. Department of Labor			50,159	140,801
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Ohio Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	#102278		294,315
Passed Through Ohio Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	IDEP/STEP-2018-0-00085		9,162
State and Community Highway Safety	20.600	IDEP/STEP-2019-0-00048		2,485
Total Highway Safety Cluster				11,647
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	IDEP/STEP-2018-0-00085		11,441
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	IDEP/STEP-2019-0-00048		5,216
Total CFDA # 20.608				16,657
Total U.S. Department of Transportation				322,619
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State				
2018 HAVA Election Security Grants	90.404	N/A		6,200

(Continued)

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**	**Passed Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Job and Family Services				
Promoting Safe and Stable Families	93.556	G-1819-11-5804		22,265
TANF Cluster				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-1819-11-5804	225,698	1,787,215
Child Support Enforcement	93.563	G-1819-11-5804		820,144
CCDF Cluster				
Child Care and Development Block Grant	93.575	G-1819-11-5804		43,748
State Court Improvement Program	93.586	G-1801OHSCID		10,991
Grants to States for Access and Visitation Programs	93.597	G-1819-11-5804		78,224
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1819-11-5804		58,397
Foster Care Title IV-E	93.658	G-1819-11-5804		246,323
Adoption Assistance	93.659	G-1819-11-5804		124,819
Chafee Foster Care Independence Program	93.674	G-1819-11-5804		512
Children's Health Insurance Program	93.767	G-1819-11-5804		12,973
Passed Through Ohio Department of Job and Family Services				
Social Services Block Grant	93.667	G-1819-11-5804		560,630
Passed Through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	1801OHSOSR		36,377
Total CFDA # 93.667				597,007
Passed Through Ohio Department of Job and Family Services				
Medicaid Cluster				
Medical Assistance Program	93.778	G-1819-11-5804		528,547
Passed Through Ohio Department of Developmental Disabilities				
Medical Assistance Program	93.778	18050H5ADM		209,184
Medical Assistance Program	93.778	19050H5ADM		68,858
Total Medicaid Cluster				806,589
Total U.S. Department of Health and Human Services			225,698	4,609,207
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Emergency Management Performance Grant	97.042	EMC-2017-EP-00006-S01		29,472
Emergency Management Performance Grant	97.042	EMC-2018-EP-00008-S01		34,224
Total U.S. Department of Homeland Security				63,696
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	N/A		39,316
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 275,857**	**$ 6,033,066**

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 Seneca County, Ohio (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 – SUBRECIPIENTS

The County passes certain federal awards received from Workforce Investment Act, Area 7 and the Ohio Department of Job and Family Services on to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE E – CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTE G – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's CDBG local program income account as of December 31, 2018 is $47,988.

The current cash balance on the County's HOME local program income account as of December 31, 2018 is $68,604.

NOTE H – MATCHING REQUIREMENTS

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

NOTE I – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2018, the County made allowable transfers of $340,977 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately $1,787,215 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2018 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	$ 2,128,192
Transfer to Social Services Block Grant	(340,977)
Total Temporary Assistance for Needy Families	**$ 1,787,215**

NOTE J – COST REPORT SETTLEMENTS

During the calendar year, the County Board of Developmental Disabilities received notice of a liability owed to the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of $52. The Cost Report Settlement payment (liability) was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in the prior reporting periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.

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OHIO AUDITOR OF STATE
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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*

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Seneca County, Ohio (the County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 16, 2019. Our report refers to other auditors who audited the financial statements of Seneca Re-Ad Industries, Inc., a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of Seneca Re-Ad Industries, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. We also noted the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

September 16, 2019

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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

Seneca County
109 South Washington Street #2206
Tiffin, Ohio 44883-2841

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

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

Opinion on each Major Federal Program

In our opinion, Seneca County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of 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 would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

September 16, 2019

SENECA 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**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	TANF Cluster Child Support Enforcement – CFDA #93.563 Foster Care Title IV-E – CFDA #93.658
(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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Finding was first reported during the audit of the 2017 financial statements. Material weakness due to the financial information of the Seneca County Land Reutilization Corporation (a discretely presented component unit of Seneca County) being reported on the cash-basis of accounting, and additional immaterial errors noted that were below performance materiality and were included on the Summary of Identified Misstatements form but not posted to the financial statements.	Finding related to the Seneca County Land Reutilization Corporation was fully corrected. Finding related to the additional immaterial errors was partially corrected. Recurrence was repeated in the 2018 management letter.	The recurrence occurred due to errors during the GAAP conversion. The County has contacted Julian and Grube, Inc. for the errors dealing with the GAAP conversion. These will be addressed and fully corrected for the next audit.

OHIO AUDITOR OF STATE
KEITH FABER

SENECA 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
SEPTEMBER 26, 2019