

**OHIO AUDITOR OF STATE
KEITH FABER**



**Perry County
Perry County, Ohio**

**Modified Cash Financial Statements
For the Year Ended December 31, 2018**

Local Government Services Section

Perry County, Ohio
Modified Cash Statements
For the Year Ended December 31, 2018

Table of Contents

	<u>Page</u>
Table of Contents.....	1
Accountant’s Compilation Letter.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	5
Statement of Activities – Modified Cash Basis	6
Fund Financial Statements:	
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds.....	8
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances – Governmental Funds	10
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Job and Family Services Fund.....	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Board of Developmental Disabilities Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Auto License and Gasoline Tax Fund	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – County Home Fund	16
Statement of Fund Net Position – Modified Cash Basis - Proprietary Funds.....	17
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position – Proprietary Funds	18

(continued)

Perry County, Ohio
Modified Cash Statements
For the Year Ended December 31, 2018

Table of Contents (continued)

Statement of Cash Flows – Modified Cash Basis – Proprietary Funds	19
Statement of Net Position – Modified Cash Basis – Agency Funds.....	20
Notes to the Financial Statements.....	21

OHIO AUDITOR OF STATE KEITH FABER



Honorable County Commissioners
Perry County
P.O. Box 248
121 W. Brown Street
New Lexington, Ohio 43764

Accountant's Compilation Report

Management is responsible for the accompanying basic financial statements of the Perry County, Ohio as of and for the fiscal year ended December 31, 2018, in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34, and for determining that the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34 is an acceptable financial reporting framework. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

KEITH FABER
Auditor of State

A handwritten signature in cursive script that reads "Unice S. Smith".

Unice S. Smith
Chief of Local Government Services
Columbus, Ohio

February 26, 2019

Local Government Services Section
88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4717 or 800-345-2519

www.ohioauditor.gov



OHIO AUDITOR OF STATE REBECCAH FABER

111 W. Broad Street
Columbus, Ohio 43260
614.467.2000
www.aos.state.oh.us

Basic Financial Statements

The accompanying financial statements were prepared by the Auditor of State in accordance with the provisions of the Revised Code, Chapter 117, and the rules of the Board of Accountancy. The financial statements are prepared on the basis of the records and data furnished to the Auditor of State by the State Treasurer and the State Auditor. The Auditor of State is not responsible for the accuracy or completeness of the records and data furnished to the Auditor of State by the State Treasurer and the State Auditor. The Auditor of State is not responsible for the accuracy or completeness of the financial statements prepared by the Auditor of State. The Auditor of State is not responsible for the accuracy or completeness of the financial statements prepared by the Auditor of State.

REBECCA FABER
Auditor of State
Rebecca Faber
111 W. Broad Street
Columbus, Ohio 43260
614.467.2000
www.aos.state.oh.us

Perry County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$22,162,755	\$393,289	\$22,556,044
Cash in Segregated Accounts	1,241,087	0	1,241,087
Cash With Fiscal Agents	175,724	0	175,724
Total Assets	\$23,579,566	\$393,289	\$23,972,855
Net Position			
Restricted for:			
Job and Family Services Operations	\$517,375	\$0	\$517,375
Auto License and Gasoline Tax Operations	3,478,354	0	3,478,354
Board of Developmental Disabilities Operations	1,698,671	0	1,698,671
County Home Operations	1,668,706	0	1,668,706
Capital Improvements	168,768	0	168,768
Dog and Kennel Operations	20,451	0	20,451
Mental Health Operations	38,516	0	38,516
Public Transportation	80,182	0	80,182
Child Support Enforcement	1,012,461	0	1,012,461
Children Services Operations	1,150,204	0	1,150,204
Senior Center Operations	136,513	0	136,513
Other Human Services Operations	1,610	0	1,610
Real Estate Assessments	1,233,385	0	1,233,385
Court Operations	800,264	0	800,264
Corrections Operations	356,537	0	356,537
Public Safety Operations	482,083	0	482,083
Community and Economic Development	52,879	0	52,879
Deputy Registrar Operations	72,367	0	72,367
Debt Service	17,853	0	17,853
Unclaimed Monies	16,240	0	16,240
Unrestricted	10,576,147	393,289	10,969,436
Total Net Position	\$23,579,566	\$393,289	\$23,972,855

See accompanying notes to the basic financial statements

See accountant's compilation report

Perry County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2018

	Cash Disbursements	Charges for Services	Program Receipts	
			Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$3,848,678	\$2,063,537	\$0	\$0
Judicial	2,285,866	851,756	289,754	0
Public Safety	6,704,606	277,075	2,941,481	131,181
Public Works	7,752,244	2,037,457	4,901,641	681,306
Health	4,552,085	256,725	1,933,439	0
Human Services	12,907,221	754,891	8,279,834	165,411
Community and Economic Development	535,072	0	399,635	191,978
Conservation and Recreation	669,651	0	0	332,070
Capital Outlay	1,749,650	0	0	0
Debt Service:				
Principal Retirement	327,085	0	0	0
Interest and Fiscal Charges	33,629	0	0	0
Issuance Costs	17,675	0	0	0
Total Governmental Activities	41,383,462	6,241,441	18,745,784	1,501,946
Business-Type Activities				
Sewer Fund	5,445,345	916,029	0	2,618,917
Water Fund	4,182,510	962,746	0	1,556,997
Total Business-Type Activities	9,627,855	1,878,775	0	4,175,914
Totals	\$51,011,317	\$8,120,216	\$18,745,784	\$5,677,860

General Receipts
Property Taxes Levied for:
 General Purposes
 Board of Developmental Disabilities
 Community Mental Health
 Children Services
 County Home
 Senior Center
Sales Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Interest
Miscellaneous

Total General Receipts

Transfers
Loan Proceeds
Premium on Bond Anticipation Notes Issued
Bond Anticipation Notes Issued

Total General Receipts and Other Financing Sources(Uses)

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

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

**Net (Disbursements) Receipts
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
(\$1,785,141)	\$0	(\$1,785,141)
(1,144,356)	0	(1,144,356)
(3,354,869)	0	(3,354,869)
(131,840)	0	(131,840)
(2,361,921)	0	(2,361,921)
(3,707,085)	0	(3,707,085)
56,541	0	56,541
(337,581)	0	(337,581)
(1,749,650)	0	(1,749,650)
(327,085)	0	(327,085)
(33,629)	0	(33,629)
(17,675)	0	(17,675)
<u>(14,894,291)</u>	<u>0</u>	<u>(14,894,291)</u>
0	(1,910,399)	(1,910,399)
<u>0</u>	<u>(1,662,767)</u>	<u>(1,662,767)</u>
0	(3,573,166)	(3,573,166)
<u>(14,894,291)</u>	<u>(3,573,166)</u>	<u>(18,467,457)</u>
2,677,393	0	2,677,393
2,472,915	0	2,472,915
298,397	0	298,397
1,090,710	0	1,090,710
1,215,557	0	1,215,557
176,819	0	176,819
3,742,817	0	3,742,817
3,043,666	0	3,043,666
425,068	0	425,068
<u>362,702</u>	<u>41,208</u>	<u>403,910</u>
15,506,044	41,208	15,547,252
110,047	(110,047)	0
209,605	3,698,485	3,908,090
19,898	0	19,898
<u>1,100,000</u>	<u>0</u>	<u>1,100,000</u>
<u>16,945,594</u>	<u>3,629,646</u>	<u>20,575,240</u>
2,051,303	56,480	2,107,783
<u>21,528,263</u>	<u>336,809</u>	<u>21,865,072</u>
<u>\$23,579,566</u>	<u>\$393,289</u>	<u>\$23,972,855</u>

See accountant's compilation report

Perry County, Ohio
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
 December 31, 2018

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home
Assets					
Equity in Pooled Cash and Cash Equivalents	\$7,819,320	\$517,375	\$1,522,947	\$3,478,354	\$1,668,706
Restricted Cash and Cash Equivalents	16,240	0	0	0	0
Cash in Segregated Accounts	0	0	0	0	0
Cash With Fiscal Agents	0	0	175,724	0	0
Total Assets	\$7,835,560	\$517,375	\$1,698,671	\$3,478,354	\$1,668,706
Fund Balances					
Nonspendable	\$16,240	\$0	\$0	\$0	\$0
Restricted	0	517,375	1,698,671	3,478,354	1,668,706
Committed	9,500	0	0	0	0
Assigned	528,942	0	0	0	0
Unassigned	7,280,878	0	0	0	0
Total Fund Balances	\$7,835,560	\$517,375	\$1,698,671	\$3,478,354	\$1,668,706

Total Governmental Fund Balances **\$22,327,546**

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

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets of the internal service fund are included in governmental activities in the statement of net position. 1,252,020

Net Position of Governmental Activities **\$23,579,566**

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

Other Governmental Funds	Total Governmental Funds
\$7,084,948	\$22,091,650
0	16,240
43,932	43,932
0	175,724
<u>\$7,128,880</u>	<u>\$22,327,546</u>
\$0	\$16,240
5,624,073	12,987,179
1,504,807	1,514,307
0	528,942
0	7,280,878
<u>\$7,128,880</u>	<u>\$22,327,546</u>

See accountant's compilation report

Perry County, Ohio
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home
Receipts					
Property Taxes	\$2,677,393	\$0	\$2,472,915	\$0	\$1,215,557
Sales Taxes	3,742,817	0	0	0	0
Charges for Services	1,575,730	313,331	71,217	560,663	132,480
Licenses and Permits	2,878	0	0	0	0
Fines and Forfeitures	289,695	0	0	7,572	0
Intergovernmental	3,097,902	5,465,500	1,895,574	4,930,120	154,627
Interest	412,126	0	0	5,570	0
Rent	0	0	0	0	0
Donations	4,225	0	0	0	1,050
Miscellaneous	67,935	0	44,549	51,030	4,012
Total Receipts	11,870,701	5,778,831	4,484,255	5,554,955	1,507,726
Disbursements					
Current:					
General Government:					
Legislative and Executive	2,937,364	0	0	0	0
Judicial	1,830,211	0	0	0	0
Public Safety	3,025,457	0	0	0	0
Public Works	0	0	0	5,509,241	0
Health	116,360	0	3,963,019	0	0
Human Services	409,453	5,795,358	0	0	2,457,015
Community and Economic Development	58,679	0	0	0	0
Conservation and Recreation	336,581	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	20,339	0
Interest and Fiscal Charges	0	0	0	0	0
Issuance Costs	0	0	0	0	0
Total Disbursements	8,714,105	5,795,358	3,963,019	5,529,580	2,457,015
Excess of Receipts Over (Under) Disbursements	3,156,596	(16,527)	521,236	25,375	(949,289)
Other Financing Sources (Uses)					
Advances In	224,228	0	0	0	0
Advances Out	(132,295)	0	0	0	0
Transfers In	32,172	169,660	0	0	0
Transfers Out	(1,183,996)	0	0	0	0
Premium on Bond Anticipation Notes Issued	0	0	0	0	0
Bond Anticipation Notes Issued	0	0	0	0	0
Loan Proceeds	0	0	0	209,605	0
Total Other Financing Sources (Uses)	(1,059,891)	169,660	0	209,605	0
Net Change in Fund Balances	2,096,705	153,133	521,236	234,980	(949,289)
Fund Balances Beginning of Year	5,738,855	364,242	1,177,435	3,243,374	2,617,995
Fund Balances End of Year	\$7,835,560	\$517,375	\$1,698,671	\$3,478,354	\$1,668,706
Net Change in Fund Balances - Governmental Funds					\$2,398,398
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>					
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund disbursements and the related internal service fund receipts are eliminated. The net disbursements of the internal service fund is allocated among the governmental activities.					<u>(347,095)</u>
Change in Net Position of Governmental Activities					<u>\$2,051,303</u>

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

Other Governmental Funds	Total Governmental Funds
\$1,565,926	\$7,931,791
0	3,742,817
2,599,293	5,252,714
315,328	318,206
245,507	542,774
7,729,213	23,272,936
0	417,696
127,747	127,747
7,615	12,890
195,176	362,702
<u>12,785,805</u>	<u>41,982,273</u>
829,162	3,766,526
372,066	2,202,277
3,573,782	6,599,239
2,237,375	7,746,616
468,598	4,547,977
4,166,202	12,828,028
476,393	535,072
333,070	669,651
1,749,650	1,749,650
306,746	327,085
33,629	33,629
17,675	17,675
<u>14,564,348</u>	<u>41,023,425</u>
<u>(1,778,543)</u>	<u>958,848</u>
132,295	356,523
(224,228)	(356,523)
1,124,383	1,326,215
(32,172)	(1,216,168)
19,898	19,898
1,100,000	1,100,000
0	209,605
<u>2,120,176</u>	<u>1,439,550</u>
341,633	2,398,398
6,787,247	19,929,148
<u>\$7,128,880</u>	<u>\$22,327,546</u>

See accountant's compilation report

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes in
in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property Taxes	\$2,372,000	\$2,372,000	\$2,720,158	\$348,158
Sales Taxes	3,600,000	3,600,000	3,742,817	142,817
Charges for Services	1,136,933	1,136,933	1,573,624	436,691
Licenses and Permits	2,100	2,100	2,878	778
Fines and Forfeitures	300,000	300,000	289,695	(10,305)
Intergovernmental	1,263,730	1,234,000	1,317,447	83,447
Interest	135,000	135,000	397,738	262,738
Donations	0	0	4,225	4,225
Miscellaneous	11,500	11,500	67,935	56,435
Total Receipts	<u>8,821,263</u>	<u>8,791,533</u>	<u>10,116,517</u>	<u>1,324,984</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	3,442,443	3,823,588	2,982,221	841,367
Judicial	1,896,761	1,954,146	1,853,286	100,860
Public Safety	3,031,363	3,128,972	3,036,786	92,186
Health	140,907	151,492	120,103	31,389
Human Services	462,622	484,653	499,784	(15,131)
Community and Economic Development	44,071	44,236	58,679	(14,443)
Conservation and Recreation	233,031	234,971	336,581	(101,610)
Total Disbursements	<u>9,251,198</u>	<u>9,822,058</u>	<u>8,887,440</u>	<u>934,618</u>
Excess of Receipts Over (Under) Disbursements	<u>(429,935)</u>	<u>(1,030,525)</u>	<u>1,229,077</u>	<u>2,259,602</u>
Other Financing Sources (Uses)				
Transfers In	0	0	32,172	32,172
Advances In	0	0	224,228	224,228
Advances Out	0	0	(132,295)	(132,295)
Transfers Out	(780,950)	(877,537)	(1,183,996)	(306,459)
Total Other Financing Sources (Uses)	<u>(780,950)</u>	<u>(877,537)</u>	<u>(1,059,891)</u>	<u>(182,354)</u>
Net Change in Fund Balance	<u>(1,210,885)</u>	<u>(1,908,062)</u>	<u>169,186</u>	<u>2,077,248</u>
Fund Balance Beginning of Year	<u>3,859,304</u>	<u>3,859,304</u>	<u>3,859,304</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>244,927</u>	<u>244,927</u>	<u>244,927</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,893,346</u>	<u>\$2,196,169</u>	<u>\$4,273,417</u>	<u>\$2,077,248</u>

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

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Job and Family Services Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$375,000	\$375,000	\$413,051	\$38,051
Intergovernmental	6,430,000	6,430,000	5,465,500	(964,500)
Miscellaneous	2,000	2,000	0	(2,000)
<i>Total Receipts</i>	<u>6,807,000</u>	<u>6,807,000</u>	<u>5,878,551</u>	<u>(928,449)</u>
Disbursements				
Current:				
Human Services	<u>7,021,106</u>	<u>7,021,106</u>	<u>5,954,398</u>	<u>1,066,708</u>
<i>Excess of Receipts Under Disbursements</i>	(214,106)	(214,106)	(75,847)	138,259
Other Financing Source				
Transfers In	<u>166,000</u>	<u>166,000</u>	<u>169,660</u>	<u>3,660</u>
<i>Net Change in Fund Balance</i>	(48,106)	(48,106)	93,813	141,919
<i>Fund Balance Beginning of Year</i>	206,422	206,422	206,422	0
Prior Year Encumbrances Appropriated	<u>58,100</u>	<u>58,100</u>	<u>58,100</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$216,416</u>	<u>\$216,416</u>	<u>\$358,335</u>	<u>\$141,919</u>

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

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property Taxes	\$2,387,000	\$2,387,000	\$2,524,048	\$137,048
Charges for Services	45,000	275,000	71,217	(203,783)
Intergovernmental	1,850,186	1,850,186	2,022,523	172,337
Miscellaneous	55,000	25,000	44,549	19,549
Total Receipts	4,337,186	4,537,186	4,662,337	125,151
Disbursements				
Current:				
Health	4,676,304	4,888,744	4,075,619	813,125
Net Change in Fund Balance	(339,118)	(351,558)	586,718	938,276
Fund Balance Beginning of Year	824,212	824,212	824,212	0
Prior Year Encumbrances Appropriated	103,060	103,060	103,060	0
Fund Balance End of Year	\$588,154	\$575,714	\$1,513,990	\$938,276

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

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Auto License and Gasoline Tax Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$359,500	\$359,500	\$560,663	\$201,163
Fines and Forfeitures	16,000	16,000	7,572	(8,428)
Intergovernmental	4,080,000	4,080,000	4,930,120	850,120
Interest	4,000	4,000	5,570	1,570
Miscellaneous	0	0	51,030	51,030
Total Receipts	<u>4,459,500</u>	<u>4,459,500</u>	<u>5,554,955</u>	<u>1,095,455</u>
Disbursements				
Current:				
Public Works	4,499,291	5,986,791	5,559,286	427,505
Debt Service:				
Principal Retirement	20,339	20,339	20,339	0
Total Disbursements	<u>4,519,630</u>	<u>6,007,130</u>	<u>5,579,625</u>	<u>427,505</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(60,130)	(1,547,630)	(24,670)	667,950
Other Financing Sources				
Loan Proceeds	0	0	209,605	209,605
<i>Net Change in Fund Balance</i>	(60,130)	(1,547,630)	184,935	1,522,960
<i>Fund Balance Beginning of Year</i>	3,183,244	3,183,244	3,183,244	0
Prior Year Encumbrances Appropriated	60,130	60,130	60,130	0
Fund Balance End of Year	<u>\$3,183,244</u>	<u>\$1,695,744</u>	<u>\$3,428,309</u>	<u>\$1,522,960</u>

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

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes in
in Fund Balance - Budget and Actual (Budget Basis)*
County Home Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property Taxes	\$1,175,511	\$1,175,511	\$1,240,773	\$65,262
Charges for Services	150,000	150,000	132,480	(17,520)
Intergovernmental	145,269	145,269	154,627	9,358
Donations	0	0	1,050	1,050
Miscellaneous	0	0	4,012	4,012
Total Receipts	1,470,780	1,470,780	1,532,942	62,162
Disbursements				
Current:				
Human Services	1,832,382	2,659,687	2,475,018	184,669
Net Change in Fund Balance	(361,602)	(1,188,907)	(942,076)	246,831
Fund Balance Beginning of Year	2,537,105	2,537,105	2,537,105	0
Prior Year Encumbrances Appropriated	21,476	21,476	21,476	0
Fund Balance End of Year	\$2,196,979	\$1,369,674	\$1,616,505	\$246,831

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

Perry County, Ohio
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2018

	Business-Type Activities			Governmental
	Sewer Enterprise Fund	Water Enterprise Fund	Total Enterprise Funds	Activity- Internal Service Fund
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$23,319	\$369,970	\$393,289	\$54,865
Cash in Segregated Accounts	0	0	0	1,197,155
Total Assets	\$23,319	\$369,970	\$393,289	\$1,252,020
Net Position				
Unrestricted	\$23,319	\$369,970	\$393,289	\$1,252,020
Total Net Position	\$23,319	\$369,970	\$393,289	\$1,252,020

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

Perry County, Ohio
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities			Governmental
	Sewer	Water	Total	Activity-
	Enterprise Fund	Enterprise Fund	Enterprise Funds	Internal Service Fund
Operating Receipts				
Charges for Services	\$916,029	\$962,746	\$1,878,775	\$4,964,475
Interest	0	0	0	12,942
Miscellaneous	1,673	0	1,673	0
<i>Total Operating Receipts</i>	<u>917,702</u>	<u>962,746</u>	<u>1,880,448</u>	<u>4,977,417</u>
Operating Disbursements				
Personal Services	69,784	148,008	217,792	0
Contractual Services	618,225	19,685	637,910	320,291
Materials and Supplies	76,736	66,450	143,186	0
Claims	0	0	0	5,004,221
Capital Outlay	2,055,846	2,131,639	4,187,485	0
Other	1,800	11,306	13,106	0
<i>Total Operating Disbursements</i>	<u>2,822,391</u>	<u>2,377,088</u>	<u>5,199,479</u>	<u>5,324,512</u>
<i>Operating Loss</i>	<u>(1,904,689)</u>	<u>(1,414,342)</u>	<u>(3,319,031)</u>	<u>(347,095)</u>
Non-Operating Receipts and Disbursements				
Other Non-Operating Revenue	0	39,535	39,535	0
Capital Grants	2,618,917	1,556,997	4,175,914	0
Proceeds of OWDA Loans	1,818,411	1,880,074	3,698,485	0
Debt Service:				
Principal Retirement	(2,436,060)	(1,754,875)	(4,190,935)	0
Interest and Fiscal Charges	(186,894)	(50,547)	(237,441)	0
<i>Total Non-Operating Receipts and Disbursements</i>	<u>1,814,374</u>	<u>1,671,184</u>	<u>3,485,558</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	<u>(90,315)</u>	<u>256,842</u>	<u>166,527</u>	<u>(347,095)</u>
Transfers Out	0	(110,047)	(110,047)	0
<i>Change in Net Position</i>	<u>(90,315)</u>	<u>146,795</u>	<u>56,480</u>	<u>(347,095)</u>
<i>Net Position Beginning of Year</i>	<u>113,634</u>	<u>223,175</u>	<u>336,809</u>	<u>1,599,115</u>
<i>Net Position End of Year</i>	<u>\$23,319</u>	<u>\$369,970</u>	<u>\$393,289</u>	<u>\$1,252,020</u>

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

Perry County, Ohio
Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities			Governmental
	Sewer Enterprise Fund	Water Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$916,029	\$962,746	\$1,878,775	\$0
Cash Received from Transactions with Other Funds	0	0	0	4,964,475
Cash Payments for Employee Services and Benefit	(69,784)	(148,008)	(217,792)	0
Cash Payments for Claims	0	0	0	(5,004,221)
Cash Payments to Suppliers for Goods and Service:	(2,752,607)	(2,229,080)	(4,981,687)	(320,291)
Other Operating Receipts	1,673	0	1,673	0
Other Non-Operating Revenues	0	39,535	39,535	0
Net Cash Used for Operating Activities	(1,904,689)	(1,374,807)	(3,279,496)	(360,037)
Cash Flows from Noncapital Financing Activities:				
Transfers To Other Funds	0	(110,047)	(110,047)	0
Cash Flows from Capital and Related Financing Activities:				
Capital Grants	2,618,917	1,556,997	4,175,914	0
Proceeds of OWDA Loans	1,818,411	1,880,074	3,698,485	0
Principal Paid on Debt	(2,436,060)	(1,754,875)	(4,190,935)	0
Interest and Fiscal Charges Paid on Debt	(186,894)	(50,547)	(237,441)	0
Net Cash Provided by Capital and Related Financing Activities	1,814,374	1,631,649	3,446,023	0
Cash Flows from Investing Activities:				
Investment Earnings	0	0	0	12,942
Net Increase (Decrease) in Cash and Cash Equivalents	(90,315)	146,795	56,480	(347,095)
Cash and Cash Equivalents Beginning of Year	113,634	223,175	336,809	1,599,115
Cash and Cash Equivalents End of Year	\$23,319	\$369,970	\$393,289	\$1,252,020
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:				
Operating Loss	(1,904,689)	(1,414,342)	(3,319,031)	(347,095)
Adjustments:				
Other Non-Operating Revenues	0	39,535	39,535	0
Interest Earnings	0	0	0	(12,942)
Net Cash Used for Operating Activities	(1,904,689)	(1,374,807)	(3,279,496)	(360,037)

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

Perry County, Ohio
Statement of Net Position - Modified Cash Basis
Agency Funds
December 31, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,529,136
Cash and Cash Equivalents in Segregated Accounts	<u>806,563</u>
Total Assets	<u><u>\$6,335,699</u></u>
 Net Position	
Restricted for:	
District Board of Health	\$4,199,261
Undivided Tax	600,013
Family and Children First Council	219,615
Sheriff	211,978
Court	594,585
Housing Trust	124,336
Soil and Water Conservation	91,976
Ohio Election Commission	103,899
Payroll	185,406
Local Government	3,505
Workforce Investment Act Area 14	<u>1,125</u>
Total Net Position	<u><u>\$6,335,699</u></u>

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Note 1 – Reporting Entity

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organizations governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In the past, the County has reported the Perry County Airport Authority and PerCo, Inc. as component units. There has also been the creation of the Perry County Land Reclamation Corporation with activity beginning during 2017. PerCo, Inc. privatized effective January 1, 2018, and is no longer a component unit. With the implementation of Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus", the County determined it is not misleading to exclude the remaining two component units as they do not have a measurable influence on the County's financial statements for the year.

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Perry County Soil and Water Conservation District The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Perry County Health Department The Department is governed by the Board of Health which oversees the operation of the Department and is elected by a regional advisory council comprising township trustees, mayors of participating municipalities, and one County Commissioner. The council adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and federal grants applied for by the District.

Perry County Family and Children First Council The Perry County Family and Children First Council is created under Ohio Revised Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Rev. Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Humans Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. The Council's revenues will consist of operating grants along with pooled funding from other government sources. During 2018, the County made no contributions to the Council. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management.

The County participates in eight jointly governed organizations, one related organization, two joint ventures, and one insurance purchasing pool. These organizations are presented in Notes 17 through 20 to the basic financial statements. These organizations are:

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

Muskingum Valley Educational Service Center
Hocking College (Perry County Branch)

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

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position-modified cash basis and the statement of activities-modified cash basis display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and cash disbursements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services, if any.

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

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Fund Financial Statements

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

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

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

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The following are the County's major governmental funds:

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

Job and Family Services – This fund accounts for various federal and state grants as well as transfers from the General Fund restricted to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Board of Developmental Disabilities – This fund accounts for assistance for the mentally handicapped and developmentally disabled. A county-wide property tax levy, along with federal and state grants, provides the revenues for this fund.

Auto License and Gasoline Tax – This fund accounts for State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State law to County road and bridge repair/improvements programs.

County Home – To account for revenues for room and board as well as property taxes used to administer and operate the County Home.

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Proprietary Funds

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

Enterprise Fund – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's major enterprise funds:

Sewer – This fund accounts for sanitary sewer services provided to individual and commercial users within the County. The costs of providing these services are financed primarily through user charges.

Water – The Water Fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the County. The costs of providing these services are financed primarily through user charges.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund accounts for monies received for the activities of the self insurance program for employee health benefits.

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 therefore not available to support the County's own programs. The County did not have any trust funds during the year. Agency funds are purely custodial and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting. (See Note 4) Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

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

D. Budgetary Process

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

level of control selected by the County Commissioners. The legal level of control has been established by County Commissioners at the fund, department, and object level for all funds.

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

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

E. Cash and Cash Equivalents

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

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

Cash that is held by Mid-East Ohio Regional Council (MEORC) is recorded as "Cash with Fiscal Agents." (See Note 17)

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

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

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

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

\$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2018 amounted to \$412,126, which includes \$346,763 assigned from other County funds.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Accumulated Leave

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

K. Pensions/Other Postemployment Benefits (OPEB)

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

L. Interfund Transactions

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

M. Long-Term Obligations

The County's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither 'other financing source' or 'capital outlay' are reported at inception. Lease payments are reported when paid.

N. Fund Balance

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

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

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

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commission remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue, therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners through resolutions or by State statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2019's appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Note 3 – Change in Accounting Principle

For 2018, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of these statements did not result in any changes to net position reported as of December 31, 2018, as a net pension liability is not reported in financial statements following an other comprehensive basis of accounting. See Note 12 to the basic financial statements.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is (are) outstanding year end encumbrances, unreported cash, and advances out. Encumbrances are treated as expenditures (budgetary basis) rather than as a restriction or assignment of fund balance (cash basis). Unreported cash, including

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

cash held in agency funds on behalf of County fund are reported on the statement of modified receipts, disbursements, and changes in fund balances (cash basis), but not on the budgetary basis. Advances out are operating transactions (budget) as opposed to balance sheet transactions (cash basis).

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

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home
Cash Basis	\$2,096,705	\$153,133	\$521,236	\$234,980	(\$949,289)
Beginning of Year:					
Unrecorded Cash	17,103	99,720	129,738	0	0
Agency Fund					
Distribution	1,617,521	0	120,425	0	59,414
End of Year:					
Unrecorded Cash	(33,597)	0	(2,789)	0	0
Agency Fund					
Distribution	(3,355,211)	0	(69,292)	0	(34,198)
Encumbrances	(173,335)	(159,040)	(112,600)	(50,045)	(18,003)
Budget Basis	<u>\$169,186</u>	<u>\$93,813</u>	<u>\$586,718</u>	<u>\$184,935</u>	<u>(\$942,076)</u>

Note 5 – Compliance

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

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

Note 6 – Fund Balances

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

Fund Balances	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home	Courthouse Improvements	Other Governmental Funds	Total
<u>Nonspendable:</u>								
Unclaimed monies	\$16,240	\$0	\$0	\$0	\$0	\$0	\$0	\$16,240
<u>Restricted for:</u>								
County Home Operations	0	0	0	0	1,668,706	0	0	1,668,706
Job and Family Services Operations	0	517,375	0	0	0	0	0	517,375
Auto License and Gasoline Tax Operations	0	0	0	3,478,354	0	0	0	3,478,354
Public Transportation	0	0	0	0	0	0	80,182	80,182
Board of Developmental Disabilities Operations	0	0	1,698,671	0	0	0	0	1,698,671
Mental Health Operations	0	0	0	0	0	0	38,516	38,516
Dog and Kennel Operations	0	0	0	0	0	0	20,451	20,451
Senior Center Operations	0	0	0	0	0	0	136,513	136,513
Capital Improvements	0	0	0	0	0	0	168,768	168,768
Debt Service	0	0	0	0	0	0	17,853	17,853
Public Safety Operations	0	0	0	0	0	0	482,083	482,083
Corrections Operations	0	0	0	0	0	0	356,537	356,537
Other Human Services Operations	0	0	0	0	0	0	1,610	1,610
Child Support Enforcement	0	0	0	0	0	0	1,012,461	1,012,461
Court Operations	0	0	0	0	0	0	800,264	800,264
Community and Economic Development	0	0	0	0	0	0	52,879	52,879
Deputy Registrar Operations	0	0	0	0	0	0	72,367	72,367
Children Services Operations	0	0	0	0	0	0	1,150,204	1,150,204
Real Estate Assessments	0	0	0	0	0	0	1,233,385	1,233,385
Total Restricted	0	517,375	1,698,671	3,478,354	1,668,706	0	5,624,073	12,987,179
<u>Committed to:</u>								
Unpaid Obligations	9,500	0	0	0	0	0	0	9,500
Capital Improvements	0	0	0	0	0	0	1,504,807	1,504,807
Total Committed	9,500	0	0	0	0	0	1,504,807	1,514,307
<u>Assigned to:</u>								
2019 Appropriations	355,607	0	0	0	0	0	0	355,607
Purchases on Order	173,335	0	0	0	0	0	0	173,335
Total Assigned	528,942	0	0	0	0	0	0	528,942
<u>Unassigned:</u>								
	7,280,878	0	0	0	0	0	0	7,280,878
Total Fund Balances	\$7,835,560	\$517,375	\$1,698,671	\$3,478,354	\$1,668,706	\$0	\$7,128,880	\$22,327,546

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Note 7 – Deposits and Investments

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

- b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
- 10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
- 11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
- 12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

Cash on Hand. At year end, the County had \$38,017 in undeposited cash on hand which is included in the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents."

Cash with Fiscal Agents. At year end, the County's Board of Developmental Disabilities Special Revenue Fund had Cash with Fiscal Agents held by MEORC in the amount of \$175,724.

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

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

Investments. The fair value of these investments is not materially different than measurement value. As of December 31, 2018, the County had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Rating	Rating Agency	Percent of Total Investments
Net Asset Value Per Share:					
STAR Ohio	\$3,075,517	44.9 days	AAAm	Standard and Poor's	47.82%
Fair Value:					
Federal Farm Credit Bank Bonds	749,400	1/28/2019	Aaa	Moody's	11.66%
Federal Home Loan Mortgage Corporation Notes	432,216	11/25/2020	AA+	Standard and Poor's	6.72%
Federal Home Loan Mortgage Corporation Notes	991,830	10/28/2021	Aaa	Moody's	15.43%
Federal Home Loan Bank Bonds	485,183	11/30/2021	Aaa	Moody's	7.55%
Federal Home Loan Bank Bonds	99,763	7/26/2022	Aaa	Moody's	1.55%
Federal Home Loan Mortgage Corporation Notes	495,405	2/28/2023	Aaa	Moody's	7.71%
Federal Home Loan Bank Bonds	100,280	10/25/2023	Aaa	Moody's	1.56%
Total	\$6,429,594				100.00%

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2018. Investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). All of the County's investments measured at fair value are valued using other significant observable inputs (Level 2 inputs).

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

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

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

Note 8 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.50 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Proceeds of the tax are credited to the General Fund. Vendor collections of the permissive sales tax are paid into the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Note 9 – Property Taxes and Tax Abatements

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility property tax revenues received in 2018 represent the collection of 2017 taxes. Public utility property taxes received in 2018 became a lien on December 31, 2017, were levied after October 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

The full tax rate for all County operations for the year ended December 31, 2018, was \$18.70 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Real Property	\$595,561,150
Public Utility Tangible Personal Property	123,314,030
Total Assessed Value	\$718,875,180

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

B. Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the County has established an Enterprise Zone property tax abatement to encourage real estate renovation with Ludowici Roof Tile, Inc. This abatement was obtained through an application by the property owner, including proof that the improvements have been made and equals a 10 percent increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. This abatement expires in collection year 2018. The amount of the collection year 2018 taxes abated was \$12,791.

Note 10 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the County contract with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. Coverage provided by CORSA is as follows:

	Coverage	Deductible
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Excess Liability	5,000,000	0
Property	78,505,333	2,500
Equipment Breakdown	100,000,000	2,500
Crime	1,000,000	2,500
Uninsured Motorists Liability	250,000	0
Medical Professional Liability	3,000,000	0

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

For 2018, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

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

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

The County provides employee medical coverage through a self-insured program. The County established a Medical Insurance fund (an internal service fund) to account for and finance employee health benefits. Under this program, the Medical Insurance fund provides coverage up to a maximum of \$75,000 per year for each individual. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in the past three years.

All funds of the County participate in the program and make payments to the Medical Insurance fund based on actuarial estimates of the amounts needed to pay prior and current year claims.

Note 11 – Defined Benefit Retirement Plans

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

Net Pension Liability/Net OPEB Liability

Pensions and OPEB 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 net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

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

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

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

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is 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.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2018, the County's contractually required contribution was \$1,883,638 for the traditional plan, \$48,018 for the combined plan and \$19,656 for the member-directed plan.

Pension Liability

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

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.09967566%	0.08911800%	
Prior Measurement Date	<u>0.09669774%</u>	<u>0.08134200%</u>	
Change in Proportionate Share	<u>0.00297792%</u>	<u>0.00777600%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net Pension Liability	\$15,637,178	\$0	\$15,637,178
Net Pension Asset	0	(121,318)	(121,318)

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 periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	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.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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 percent for 2017.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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 was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 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 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$27,767,645	\$15,637,178	\$5,524,025
OPERS Combined Plan	(65,947)	(121,318)	(159,521)

Note 12 – Defined Benefit OPEB Plans

Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. See Note 11 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit 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.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent 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 percent 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 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$7,862 for 2018.

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. 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:

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.097378%
Prior Measurement Date	0.074419%
Change in Proportionate Share	0.0229591%
Proportionate Share of the Net OPEB Liability	\$10,574,567

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, 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.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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 percent 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
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 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent 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 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.85%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.85%)</u>	<u>1% Increase</u> <u>(4.85%)</u>
County's proportionate share of the net OPEB liability	\$14,048,767	\$10,574,567	\$7,763,972

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

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

	<u>1% Decrease</u>	<u>Current Health Care</u> <u>Cost Trend Rate</u> <u>Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$10,117,605	\$10,574,567	\$11,046,594

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Note 13 – Capital Leases – Lessee Disclosure

In prior years, the County entered into a capitalized lease in order to provide equipment and services in order to update the efficiency of County facilities. This lease met the criteria of a capital lease as defined by the Statement of Financial Accounting Standards, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the statements of modified cash receipts, disbursements, and changes in fund balances for governmental funds.

On September 19, 2008, the County entered into a Lease / Purchase Agreement on behalf of Children Services with Johnson Controls in the amount of \$68,110 to be repaid over ten years with an interest rate of 7.02%. This agreement was entered into to provide equipment and services in order to update the efficiency of their facilities. The County made principal payments during 2018 of \$6,746. This lease is now paid in full.

Note 14 – Short-Term and Long-Term Obligations

A. Short-Term Obligations

During 2018, the County issued bond anticipation notes in the principal amount of \$1,100,000.00 at 3.625%, for the purpose of paying the costs of renovating, reconstructing, and otherwise improving the existing Children's Services building. The note will mature on August 21, 2019.

This space intentionally left blank.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

B. Long-Term Obligations

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

	Principal Outstanding 12/31/2017	Additions	Deductions	Principal Outstanding 12/31/2018	Amount Due Within One Year
Governmental Activities					
<u>General Obligation Bonds:</u>					
2012 - Various Purpose Improvement Refunding Bonds - 2.0%-3.0%	\$1,215,000	\$0	\$300,000	\$915,000	\$300,000
Capital Lease/ Purchase Agreement Children Services - 7.02%	6,746	0	6,746	0	0
<u>Ohio Public Works Commission Loans:</u>					
2017 County Road Paving Project - 0.00%	203,394	0	20,339	183,055	20,339
2018 County Road Paving Project - 0.00%	0	209,605	0	209,605	0
Total Ohio Public Works Commission Loans	203,394	209,605	20,339	392,660	20,339
Total Governmental Activities	\$1,425,140	\$209,605	\$327,085	\$1,307,660	\$320,339
Business-Type Activities					
<u>Ohio Public Works Commission Loans:</u>					
2002 Water Systems Improvement Project - 2.00%	\$36,221	\$0	\$3,306	\$32,915	\$3,373
2002 Sanitary Sewer Improvements II Project - 2.00%	130,006	0	11,868	118,138	12,106
2009 Thornport-Thornville Wastewater Improvements Project - 0.00%	275,385	0	11,240	264,145	11,240
2011 Waterline Extension Phase II - 0.00%	40,673	0	1,535	39,138	1,535
Total Ohio Public Works Commission Loans	482,285	0	27,949	454,336	28,254
<u>Ohio Water Development Authority Loans:</u>					
2000 Water Line Construction - 6.41%	52,206	0	6,123	46,083	6,521
2000 Robinwood Estates Sewer Improvements - 6.03%	29,985	0	3,016	26,969	3,201
2000 Crown Wehrle Sewer Improvements - 6.03%	16,153	0	1,625	14,528	1,724
2001 Water Meter Installation - 1.50%	154,490	0	9,995	144,495	10,146
2002 Ceramic Road Area Sewers - 1.00%	413,231	0	24,775	388,456	25,024
2003 Northern Perry Sewers Phase I - 1.00%	648,235	0	37,555	610,680	37,931
2004 Waterline Extension - 1.00%	303,805	0	15,969	287,836	16,129
2004 Waterline Extension Phase 1B - 1.00%	319,219	0	15,791	303,428	15,949
2005 Waterline Extension Phase 1C - 1.00%	1,927,225	0	92,585	1,834,640	93,513
2007 Sewer Extension Phase II - 1.50%	6,177,609	0	207,364	5,970,245	212,973
2007 BORWD Waterline Extension - 1.00%	789,835	0	33,103	756,732	33,435
2010 Wastewater Treatment System Design - 0.00%	320,206	1,186	321,392	0	0
2012 Waterline Extensions Phase II - 0.00% and 2.00%	630,806	0	18,709	612,097	19,086
2016 Scioto Youth Camp Waterline Extension - 0%	31,745	0	4,119	27,626	0
2018 Moore's Junction Sanitary Sewers - 0%	0	1,817,225	1,817,225	0	0
2018 Northern Perry Water Phase III Waterline Extension - 0%	0	1,880,074	1,553,640	326,434	0
Total Ohio Water Development Authority Loans	11,814,750	3,698,485	4,162,986	11,350,249	475,632
Total Business-Type Activities	\$12,297,035	\$3,698,485	\$4,190,935	\$11,804,585	\$503,886

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

The Various Purpose Improvement Bonds were originally issued in 2001 in the amount of \$4,550,000, which consist of \$2,995,000 in Serial Bonds and \$1,555,000 in Term Bonds. These bonds were issued for the purpose of paying the costs of acquiring and improving a building to house personnel and functions of the Human Services Department for \$460,000; to renovate the building to house personnel and functions of the Job and Family Services Department for \$2,600,000; and to acquire the Perry County Airport and improve the water supply and water works of the Northern Perry County Sewer District for \$1,490,000. These bonds were issued for a twenty year period with a final maturity date of December 1, 2021. The bonds are collateralized by the taxing authority of the County. These bonds were refunded in 2012.

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

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

Year Ended December 31,	Principal	Interest
2019	\$300,000	\$26,725
2020	290,000	17,725
2021	325,000	9,750
Total	<u>\$915,000</u>	<u>\$54,200</u>

Ohio Public Works Commission (OPWC) Loans – Governmental Funds

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

During 2018, the County issued an OPWC loan in the amount of \$209,605. The loan was issued for a County Road Paving Project. The loan was issued at zero percent interest. OPWC has not yet provided an amortization schedule for this project.

Annual debt service requirements to maturity for the 2017 loan is as follows:

Year Ended December 31,	Principal
2019	\$20,339
2020	20,339
2021	20,339
2022	20,339
2023	20,339
2024-2028	81,360
Total	<u>\$183,055</u>

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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

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

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

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

Year Ended December 31,	Principal	Interest
2019	\$4,908	\$641
2020	4,976	574
2021	5,045	505
2022	5,115	434
2023	5,187	362
2024-2028	23,033	699
2029-2033	7,674	0
2034-2038	7,674	0
2039-2043	7,674	0
2044	767	0
Total	\$72,053	\$3,215

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

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

The Ohio Public Works Commission (OPWC) Thornport – Thornville Wastewater Improvements Project Loan was entered into in 2009 in the amount of \$337,206 for the purpose of financing improvements to the sewer system. This loan will be repaid in semiannual installments of \$5,620 over twenty years and the County has agreed to set utility rates sufficient to cover debt service requirements.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

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

Year Ended December 31,	Principal	Interest
2019	\$23,346	\$2,303
2020	23,590	2,059
2021	23,838	1,811
2022	24,091	1,558
2023	24,349	1,299
2024-2028	111,326	2,509
2029-2033	56,201	0
2034-2038	56,201	0
2039-2042	39,341	0
Total	\$382,283	\$11,539

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

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

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

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

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

The Ohio Water Development Authority (OWDA) Scioto Youth Camp Waterline Extension Loan relates to the extension of Waterlines. A portion of this loan was repaid through principal forgiveness. The remaining portion of the loan will be repaid in semiannual installments over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this note. As of December 31, 2018, the County had drawn down \$32,956, net of loan forgiveness. As of December 31, 2018, no amortization schedule has been established.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

The Ohio Water Development Authority (OWDA) Northern Perry County Water Phase III Waterline Extension Loan relates to the extension of Waterlines. A portion of this loan was repaid through principal forgiveness. The remaining portion of the loan will be repaid in semiannual installments over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this note. As of December 31, 2018, the County had drawn down \$326,434, net of loan forgiveness. As of December 31, 2018, no amortization schedule has been established.

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$5,829,616 in OWDA loans issued from 2000 to 2018. Proceeds from these loans provided financing for various water projects. The loans are payable solely from customer net revenues and are payable through 2044. Net revenues include all revenues received by the water utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in year the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$4,489,194. Principal and interest payments for the current year were \$1,799,873, net revenues were \$2,062,264, and total revenues were \$4,439,352.

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

Year Ended December 31,	Principal	Interest
2019	\$194,779	\$48,556
2020	197,333	46,001
2021	199,943	43,393
2022	202,608	40,728
2023	205,331	38,007
2024-2028	1,027,727	151,456
2029-2033	1,053,420	91,846
2034-2038	735,906	35,538
2039-2043	168,264	8,358
Total	\$3,985,311	\$503,883

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

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

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

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

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

The Ohio Water Development Authority (OWDA) Sewer System Design relates to a project for the installation of sewage lines located in the Moore's Junction area. As of December 31, 2018, the County had drawn down \$321,392. This loan was retired via grant proceeds.

The Ohio Water Development Authority (OWDA) Moore's Junction Sanitary Sewers Loan relates to the sewer expansion in Moore's Junction. This loan was repaid through principal forgiveness. As of December 31, 2018, this project is still ongoing.

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$8,945,983 in OWDA loans issued from 2000 to 2018. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from customer net revenues and are payable through 2040. Net revenues include all revenues received by the sewer utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in year the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$9,097,511. Principal and interest payments for the current year were \$2,597,305, net revenues were \$2,532,639, and total revenues were \$5,355,030.

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

Year Ended December 31,	Principal	Interest
2019	\$280,853	\$178,748
2020	287,571	172,031
2021	294,495	165,107
2022	301,631	157,969
2023	308,990	150,612
2024-2028	1,639,845	636,102
2029-2033	1,820,880	425,931
2034-2038	1,705,267	192,021
2039	371,346	8,112
Total	\$7,010,878	\$2,086,633

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

Capital Leases

Capital leases were paid from the Children's Services Special Revenue Funds.

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to \$6,000,000 plus two and one-half percent of the amount of the tax valuation in excess of \$300,000,000. The County's total debt margin was \$15,574,733 and the unvoted debt margin was \$6,291,605 at December 31, 2018.

Note 15 – Transfers and Advances

At December 31, 2018, the Sewer and Other Non-major Governmental Funds owes the General Fund \$666,816 due to grant monies and OWDA loan proceeds not being received prior to disbursements being made.

Advances for the year ended December 31, 2018, consisted of the following:

	Advance from		
	General	Other Non-major Governmental	Total
Advance to General	\$0	\$224,228	\$224,228
Other Non-major Governmental	132,295	0	\$132,295
Total	\$132,295	\$224,228	\$356,523

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2018

Interfund transfers for the year ended December 31, 2018, consisted of the following:

Transfer to	Transfer from			Total
	General Fund	Other Non-Major Governmental Funds	Water Enterprise Fund	
Major Funds:				
General Fund	\$0	\$32,172	\$0	\$32,172
Job and Family Services	169,660	0	0	169,660
Other Non-Major				
Governmental Funds	1,014,336	0	110,047	1,124,383
Total All Funds	<u>\$1,183,996</u>	<u>\$32,172</u>	<u>\$110,047</u>	<u>\$1,326,215</u>

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers to the General Fund from other governmental funds were related to debt service. Transfers from the General Fund to the Job and Family Services fund were for the County's mandated share. Transfers from the General Fund to other governmental funds are to help support those funds. Transfers from the Water Fund to other governmental funds were for debt service.

Note 16 – Significant Commitments

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

General Fund	\$173,335
Job and Family Services	159,040
Board of Developmental Disabilities	112,600
Auto License and Gasoline Tax	50,045
County Home	18,003
Nonmajor Governmental Funds	471,942
Water Fund	56,133
Total	<u><u>\$1,041,098</u></u>

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Note 17 – Jointly Governed Organizations

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

The Buckeye Hills Resource Conservation and Development Council (RC&D) is a 501 (c) (3) non-profit entity, serving a nine county region in southeastern Ohio including Athens, Belmont, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the nine counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 29 members that include three representatives from each county and one representative from each conservancy district. The Executive Council exercises total control over the operations of RC&D including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Executive Council. The continued existence of the RC&D is not dependent on the County's continued participation and no equity interest exists. During 2018, the RC&D received \$0 in membership fees from Perry County. Financial information can be obtained by contacting RC&D at 344 Muskingum Drive – Suite A, Marietta, Ohio 45750.

B. Buckeye Hills Regional Council

The Buckeye Hills Regional Council (Council) serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen member board of directors. The board has 15 members composed of four non-elected representative, Mayors of the two largest cities in the Council, and eight county representatives appointed by County Commissioners. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Council administers Community Development Block Grants and Issue II monies. During 2018, the County contributed \$77,106 to the Council. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists. Financial information can be obtained by contacting Buckeye Hills Regional Council office at 1400 Pike Street, Marietta, Ohio 45750.

C. Coshocton-Fairfield-Licking-Perry Solid Waste District

The County is a member of the Coshocton-Fairfield-Licking-Perry Solid Waste District (District). The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code. The District is governed and operated through three groups. A twelve member board of directors, composed of three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no additional contributions from the County are anticipated. A twenty-five member policy committee, composed of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a sixteen-member Technical Advisory Council, whose members are appointed by the policy committee. The continued existence of the District is not dependent upon the County's continued participation. Each participant's degree of control is limited to its representation on the Board. During 2018, the County had no payments to the District. Financial information can be obtained by contacting the Coshocton-Fairfield-Licking-Perry Solid Waste District office at 675 Price Road, Newark,

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Ohio 43055.

D. Mental Health and Recovery Services Board of Muskingum County

The Mental Health and Recovery Services Board of Muskingum County (Board) provides alcohol, drug addiction and mental health services and programs, primarily through contracts with private and public agencies. The Board also provides forensic evaluation services to adult felony courts, and residential services to youth experiencing emotional problems which prevent them from living at home. The Board serves Coshocton, Guernsey, Morgan, Muskingum, Noble, and Perry Counties and operates under the direction of a fourteen member appointed Board. Each participating county has agreed to levy a tax within their county to assist in the operation of the Board. The Board also directly receives state and federal funding for its operations. Although the Muskingum County Auditor and Muskingum County Treasurer are responsible for fiscal control of the resources of the Board, the Board is responsible for budgeting and accounting for the resources at its disposal. Membership on the Board is based upon Ohio law. The Board exercises total control over the operations of the Program including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2018, the County only contributed tax revenue money. Financial information can be obtained by contacting the Board at 1205 Newark Road, Zanesville, Ohio 43701.

E. Mid-East Ohio Regional Council (MEORC)

The Mid-East Ohio Regional Council (MEORC) is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. The Board exercises total control over the operations of the MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board. The County reports cash with fiscal agent in the amount of \$175,724 for monies held by the organization. During 2018, the County made no contributions to MEORC. Financial information can be obtained by contacting the Mid-East Ohio Regional Council at 1 Avalon Road, Mt. Vernon, Ohio 43050.

F. Perry County Family and Children First Council

The Perry County Family and Children First Council (Council) is a jointly governed organization created under Ohio Rev. Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Rev. Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Humans Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. The Perry County Auditor serves as the fiscal agent for the Council. The Perry Board of Development Disabilities serves as the administrative agent for the Council. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2018, the County made no contributions to the Council. Financial information can be obtained by contacting the Council at P.O. Box 895, Logan, Ohio 43138.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

G. Local Workforce Investment Board

The Area #14 Local Workforce Investment Board (LWIB) was established July 1, 2004, to aid in the integration of Ohio's workforce development, pursuant to House Bill 470 and the Federal Workforce Investment Act of 1998. This is accomplished by bringing together business, education, and labor leaders to access workforce needs of employers and training/education needs of job seekers. The LWIB is also charged with establishing fiscal control and fund account procedures to ensure the proper disbursement of an accounting for all funds received through the Workforce Investment Act. The LWIB board consists of 19 members representing the following counties: Athens, Meigs, and Perry. Each county has a minimum of one Chief Elected Official (CEO) and his/her appointees to the board. Appointees of the CEO are local business leaders, educators, as well as State mandated representatives from the respective county. The Board exercises total control over the operations of the Board including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2018, the County made no payments to the Board. Financial information can be obtained by contacting the Board at 184 North Lancaster St, Records Center, Suite 209, Athens, Ohio 45701.

H. Mid-Ohio Regional Planning Commission (MORPC)

The County is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. The organization is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of the organization, and the oversight board. MORPC is an association of local governments in central and south central Ohio and a regional planning agency. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/ sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members. Each participant's degree of control is limited to its representation on the Board. During 2018, the County made no payments to MORPC. Financial information can be obtained by contacting the Board at 111 Liberty St, Columbus, Ohio 43215.

Note 18 – Related Organization

A. Perry Metropolitan Housing Authority

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

Note 19 – Joint Ventures

A. Corrections Commission of Southeastern Ohio

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

The Commission is directed by one commissioner from each participating county, along with the sheriff and the presiding judge of the court of common pleas of each participating county. Any of these may name other representatives to fulfill this duty. Each county is obligated to provide financial support to this entity through per diem charges and assessments that are based on the number of beds contractually assigned to each county in proportion to the total number of beds of all participating counties. Each member county is financially responsible for a portion of the capital and operating budget. During 2018, the financial responsibility was as follows: Athens County represents 28 percent, Hocking County represents 24 percent, Morgan County represents 9 percent, Perry County represents 26 percent, and Vinton County represents 13 percent.

Complete financial statements can be obtained from the Corrections Commission of Southeastern Ohio, 16677 Riverside Drive, Nelsonville, Ohio 45764. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

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

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

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

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2018

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

Note 20 – Insurance Purchasing Pool

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. Requests for financial information should be directed to the CORSA Managing Director, County Risk Sharing Authority, Inc., 209 East State Street, Columbus, Ohio, 43215.

Note 21 – Contingencies

A. Grants

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

B. Litigation

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

Note 22 – Subsequent Events

On October 25, 2018, the Perry County Commissioners approved a three year lease agreement with Statewide Municipal Leasing, in the total amount of \$303,111 for six Sheriff sport utility vehicles and one transport van, payable in annual installments with the right to purchase at the end of the term. The lease will begin at time of delivery in 2019.

The following information is provided for your reference. It is not intended to be a substitute for the information provided in the course materials.

Section 1: Introduction

The course is designed to provide a comprehensive overview of the field of psychology. It covers the history, major theories, and current research in the field. The course is intended for students who are interested in pursuing a career in psychology or who are simply curious about the human mind.

The course is divided into several sections, each covering a different area of psychology. The first section covers the history and foundations of psychology. The second section covers the major theories of psychology, including behaviorism, psychoanalysis, and humanism. The third section covers the current research in psychology, including cognitive psychology, developmental psychology, and social psychology. The fourth section covers the application of psychology to various fields, including education, health, and law.

This page intentionally left blank.

Section 2: History and Foundations

The history of psychology is a rich and diverse one, spanning centuries and cultures. It is the study of the mind and behavior, and how they are influenced by biological, psychological, and environmental factors. The foundations of psychology were laid by the ancient Greeks, who believed that the mind was a complex system of organs and processes. The modern scientific approach to psychology began in the late 19th century, with the work of Wilhelm Wundt and other pioneers.

Section 3: Major Theories

The major theories of psychology are behaviorism, psychoanalysis, and humanism. Behaviorism is the study of observable behavior and the role of learning in the development of behavior. Psychoanalysis is the study of the unconscious mind and the role of internal conflicts in the development of personality. Humanism is the study of the human mind and the role of personal growth and self-actualization in the development of the individual.

Section 4: Current Research

Current research in psychology is focused on understanding the complex interactions between biological, psychological, and environmental factors. This research is leading to a better understanding of the human mind and behavior, and has important implications for the treatment of mental and physical disorders.