

**COSHOCTON COUNTY, OHIO**

**BASIC  
FINANCIAL STATEMENTS**

*FOR THE YEAR ENDED  
DECEMBER 31, 2017*

**HONORABLE CHRISTINE R. SYCKS, AUDITOR**



**COSHOCTON COUNTY**

**BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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### Accountants' Compilation Report

To the Honorable Christine R. Sycks, Auditor  
Coshocton County, Ohio

Management is responsible for the accompanying basic financial statements of Coshocton County, which comprise the statements listed in the table of contents as of December 31, 2017 and for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement 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 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 assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5 through 18 and the required supplementary information on pages 92 through 98 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Julian & Grube, Inc.*

Westerville, Ohio  
May 17, 2018



COSHOCTON COUNTY, OHIO

STATEMENT OF NET POSITION  
 DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Regional Airport Authority</u>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 16,586,428	\$ 108,409
Cash with fiscal agent . . . . .	1,284,249	-
Receivables:		
Sales taxes . . . . .	1,357,530	-
Real and other taxes . . . . .	7,889,501	-
Accounts . . . . .	402,250	55,599
Accrued interest . . . . .	47,509	-
Due from other governments . . . . .	4,165,838	-
Loans receivable . . . . .	27,500	-
Prepayments . . . . .	65,784	-
Materials and supplies inventory . . . . .	412,149	-
Inventory held for resale . . . . .	-	36,392
Net pension asset . . . . .	58,323	-
Capital assets:		
Land and construction in progress . . . . .	1,550,589	189,296
Depreciable capital assets, net . . . . .	21,934,078	3,174,458
Total capital assets, net . . . . .	<u>23,484,667</u>	<u>3,363,754</u>
Total assets . . . . .	<u>55,781,728</u>	<u>3,564,154</u>
<b>Deferred outflows of resources:</b>		
Unamortized deferred charges on debt refundings . . . . .	22,928	-
Pension - OPERS . . . . .	10,043,547	-
Pension - STRS . . . . .	201,097	-
Total deferred outflows of resources . . . . .	<u>10,267,572</u>	<u>-</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	281,369	15,151
Accrued wages and benefits payable . . . . .	396,374	-
Due to other governments . . . . .	373,547	-
Accrued interest payable . . . . .	11,968	-
Claims payable . . . . .	294,931	-
Sales tax payable . . . . .	-	9,547
Unearned revenue . . . . .	369,835	-
Long-term liabilities:		
Due within one year . . . . .	1,327,373	-
Due in more than one year:		
Net pension liability . . . . .	26,023,084	-
Other amounts due in more than one year . . . . .	2,108,584	-
Total liabilities . . . . .	<u>31,187,065</u>	<u>24,698</u>
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year . . . . .	7,443,680	-
Pension - OPERS . . . . .	437,191	-
Pension - STRS . . . . .	159,597	-
Total deferred inflows of resources . . . . .	<u>8,040,468</u>	<u>-</u>
<b>Net position:</b>		
Net investment in capital assets . . . . .	22,006,902	3,363,754
Restricted for:		
Capital projects . . . . .	121,247	-
Debt service . . . . .	36,665	-
Public works projects . . . . .	2,141,287	-
Human services programs . . . . .	532,524	-
Health programs . . . . .	3,821,171	-
General government operations . . . . .	656,080	-
Public safety programs . . . . .	720,966	-
Other purposes . . . . .	42,327	-
Unrestricted (deficit) . . . . .	<u>(3,257,402)</u>	<u>175,702</u>
Total net position . . . . .	<u>\$ 26,821,767</u>	<u>\$ 3,539,456</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government:				
Legislative and executive. . . . .	\$ 4,590,821	\$ 2,777,810	\$ -	\$ 2,908
Judicial. . . . .	2,494,711	255,815	250,241	-
Public safety . . . . .	6,971,201	2,200,797	436,557	-
Public works . . . . .	7,411,332	140,374	5,175,008	744,461
Health. . . . .	9,995,419	1,851,763	1,723,450	-
Human services . . . . .	8,778,924	843,535	5,623,368	-
Conservation and recreation . . . . .	2,661	-	-	-
Intergovernmental. . . . .	202,800	-	-	-
Other . . . . .	590,128	-	-	-
Interest and fiscal charges. . . . .	62,498	10,863	-	-
Total primary government . . . . .	<u>\$ 41,100,495</u>	<u>\$ 8,080,957</u>	<u>\$ 13,208,624</u>	<u>\$ 747,369</u>
<b>Component units:</b>				
Regional Airport Authority. . . . .	613,899	305,725	30,500	130,718
Total component units . . . . .	<u>\$ 613,899</u>	<u>\$ 305,725</u>	<u>\$ 30,500</u>	<u>\$ 130,718</u>

**General revenues:**

Property taxes levied for:

- General purposes . . . . .
- Health. . . . .
- Human services . . . . .
- Public safety. . . . .

Sales taxes levied for:

- General purposes . . . . .
- Payment in lieu of taxes . . . . .

Grants and entitlements not restricted to specific programs . . . . .

Unrestricted investment earnings . . . . .

Miscellaneous . . . . .

Total general revenues. . . . .

Change in net position . . . . .

**Net position at beginning of year. . . . .**

**Net positon at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Net (Expense) Revenue and Changes in  
Changes in Net Position**

<b>Primary Government</b>		<b>Component Unit</b>	
<b>Governmental Activities</b>		<b>Regional Airport Authority</b>	
\$	(1,810,103)	\$	-
	(1,988,655)		-
	(4,333,847)		-
	(1,351,489)		-
	(6,420,206)		-
	(2,312,021)		-
	(2,661)		-
	(202,800)		-
	(590,128)		-
	(51,635)		-
	<u>(19,063,545)</u>		<u>-</u>
	-		<u>(146,956)</u>
	-		<u>(146,956)</u>
	1,844,105		-
	4,785,521		-
	1,082,012		-
	103,708		-
	5,425,533		-
	855		-
	3,123,040		-
	156,987		-
	434,516		2,849
	<u>16,956,277</u>		<u>2,849</u>
	(2,107,268)		(144,107)
	<u>28,929,035</u>		<u>3,683,563</u>
\$	<u>26,821,767</u>	\$	<u>3,539,456</u>

**COSHOCTON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 4,760,682	\$ 119,526	\$ 1,436,895	\$ 5,099,178
Cash with fiscal agent . . . . .	-	-	-	645,301
Receivables:				
Sales taxes . . . . .	1,357,530	-	-	-
Real and other taxes . . . . .	1,709,001	-	-	3,088,055
Accounts . . . . .	123,822	535	1,739	-
Accrued interest . . . . .	47,509	-	-	-
Due from other governments . . . . .	1,294,308	85,839	2,052,940	205,490
Interfund loans . . . . .	7,000	-	-	-
Due from other funds . . . . .	18,544	-	-	-
Loans receivable . . . . .	-	-	-	27,500
Prepayments . . . . .	65,784	-	-	-
Materials and supplies inventory . . . . .	57,535	2,609	291,535	2,700
Total assets . . . . .	<u>\$ 9,441,715</u>	<u>\$ 208,509</u>	<u>\$ 3,783,109</u>	<u>\$ 9,068,224</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 111,950	\$ 30,541	\$ 58,378	\$ -
Accrued wages and benefits payable . . . . .	144,345	44,176	32,055	44,234
Compensated absences payable . . . . .	20,875	-	-	-
Due to other governments . . . . .	213,670	33,438	18,703	24,250
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	2,620	29,972	-	-
Unearned revenue . . . . .	-	230,388	-	-
Total liabilities . . . . .	<u>493,460</u>	<u>368,515</u>	<u>109,136</u>	<u>68,484</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	1,622,000	-	-	2,902,000
Delinquent property tax revenue not available . . . . .	86,383	-	-	186,055
Accrued interest not available . . . . .	18,249	-	-	-
Sales tax revenue not available . . . . .	977,569	-	-	-
Other nonexchange transactions not available . . . . .	384,155	-	1,691,232	193,563
Total deferred inflows of resources . . . . .	<u>3,088,356</u>	<u>-</u>	<u>1,691,232</u>	<u>3,281,618</u>
Total liabilities and deferred inflows of resources.	<u>3,581,816</u>	<u>368,515</u>	<u>1,800,368</u>	<u>3,350,102</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	173,430	2,609	291,535	2,700
Restricted . . . . .	-	-	1,691,206	5,715,422
Committed . . . . .	-	-	-	-
Assigned . . . . .	3,118,402	-	-	-
Unassigned (deficit) . . . . .	<u>2,568,067</u>	<u>(162,615)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit) . . . . .	<u>5,859,899</u>	<u>(160,006)</u>	<u>1,982,741</u>	<u>5,718,122</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 9,441,715</u>	<u>\$ 208,509</u>	<u>\$ 3,783,109</u>	<u>\$ 9,068,224</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Emergency Ambulance Levy</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 462,407	\$ 3,458,462	\$ 15,337,150
-	-	645,301
-	-	1,357,530
1,885,672	1,206,773	7,889,501
204,623	71,531	402,250
-	-	47,509
104,807	422,454	4,165,838
-	-	7,000
-	27,107	45,651
-	-	27,500
-	-	65,784
50,628	7,142	412,149
<u>\$ 2,708,137</u>	<u>\$ 5,193,469</u>	<u>\$ 30,403,163</u>
\$ 21,334	\$ 57,214	\$ 279,417
54,283	76,536	395,629
-	-	20,875
30,846	52,133	373,040
-	7,000	7,000
-	13,059	45,651
-	139,447	369,835
<u>106,463</u>	<u>345,389</u>	<u>1,491,447</u>
1,786,000	1,133,680	7,443,680
99,672	73,093	445,203
-	-	18,249
-	-	977,569
104,807	110,875	2,484,632
<u>1,990,479</u>	<u>1,317,648</u>	<u>11,369,333</u>
<u>2,096,942</u>	<u>1,663,037</u>	<u>12,860,780</u>
50,628	7,142	528,044
-	3,081,578	10,488,206
560,567	479,729	1,040,296
-	-	3,118,402
-	(38,017)	2,367,435
<u>611,195</u>	<u>3,530,432</u>	<u>17,542,383</u>
<u>\$ 2,708,137</u>	<u>\$ 5,193,469</u>	<u>\$ 30,403,163</u>

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**COSHOCTON COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Total governmental fund balances</b>		\$ 17,542,383
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,484,667
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 445,203	
Sales taxes receivable	977,569	
Intergovernmental revenues receivable	2,484,632	
Accrued interest receivable	18,249	
Total	<u>3,925,653</u>	3,925,653
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,554,810
On the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is accrued when due.		(11,968)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		22,928
Unamortized premiums on bond issuances are not recognized in the governmental funds.		(2,243)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	58,173	
Deferred outflows of resources	10,214,129	
Deferred inflows of resources	(596,314)	
Net pension liability	(25,957,612)	
Total	<u>(16,281,624)</u>	(16,281,624)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(702,547)	
OWDA loan	(184,781)	
Compensated absences	(1,336,152)	
Capital lease payable	(46,753)	
Lease purchase payable	(497,405)	
Notes payable	(645,201)	
Total	<u>(3,412,839)</u>	(3,412,839)
<b>Net position of governmental activities</b>		<u>\$ 26,821,767</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,846,103	\$ -	\$ -	\$ 2,860,817
Sales taxes . . . . .	5,494,334	-	-	-
Payment in lieu of taxes . . . . .	855	-	-	-
Charges for services. . . . .	1,477,823	-	-	228,070
Licenses and permits . . . . .	2,855	-	-	-
Fines and forfeitures . . . . .	44,748	-	47,032	-
Intergovernmental. . . . .	2,909,576	3,647,380	4,714,541	1,713,485
Investment income. . . . .	152,792	-	9,463	5,703
Rental income . . . . .	694,648	-	-	-
Contributions and donations. . . . .	2,086	-	-	606
Other . . . . .	417,403	24,558	96,856	112,057
Total revenues . . . . .	<u>13,043,223</u>	<u>3,671,938</u>	<u>4,867,892</u>	<u>4,920,738</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	3,370,360	-	-	-
Judicial. . . . .	2,201,880	-	-	-
Public safety . . . . .	3,890,018	-	-	-
Public works . . . . .	219,058	-	4,560,115	-
Health . . . . .	59,202	-	-	4,979,002
Human services. . . . .	340,485	3,957,436	-	-
Conservation and recreation . . . . .	1,533	-	-	-
Other . . . . .	589,709	-	-	-
Capital outlay . . . . .	394,308	-	-	-
Intergovernmental. . . . .	202,800	-	-	-
Debt service:				
Principal retirement. . . . .	124,370	-	75,000	-
Interest and fiscal charges . . . . .	23,893	-	8,450	-
Total expenditures . . . . .	<u>11,417,616</u>	<u>3,957,436</u>	<u>4,643,565</u>	<u>4,979,002</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,625,607</u>	<u>(285,498)</u>	<u>224,327</u>	<u>(58,264)</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	289,170	-	-	-
Sale of capital assets. . . . .	13,555	-	-	-
Capital lease transaction. . . . .	23,165	-	-	-
Transfers in . . . . .	-	162,525	-	-
Transfers (out). . . . .	(325,175)	-	-	-
Insurance proceeds . . . . .	3,558	-	-	-
Total other financing sources (uses) . . . . .	<u>4,273</u>	<u>162,525</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	1,629,880	(122,973)	224,327	(58,264)
<b>Fund balances (deficit) at beginning of year . . . .</b>	<u>4,230,019</u>	<u>(37,033)</u>	<u>1,758,414</u>	<u>5,776,386</u>
<b>Fund balances (deficit) at end of year . . . .</b>	<u>\$ 5,859,899</u>	<u>\$ (160,006)</u>	<u>\$ 1,982,741</u>	<u>\$ 5,718,122</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Emergency Ambulance Levy</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,914,317	\$ 1,187,412	\$ 7,808,649
-	-	5,494,334
-	-	855
1,227,721	3,897,706	6,831,320
-	127,020	129,875
-	101,776	193,556
217,980	3,538,213	16,741,175
-	1,945	169,903
-	-	694,648
1,120	1,944	5,756
64,199	405,775	1,120,848
<u>3,425,337</u>	<u>9,261,791</u>	<u>39,190,919</u>
-	766,415	4,136,775
-	72,402	2,274,282
-	2,415,767	6,305,785
-	1,086,205	5,865,378
3,933,936	422,712	9,394,852
-	4,114,104	8,412,025
-	-	1,533
-	-	589,709
-	19,518	413,826
-	-	202,800
-	149,728	349,098
-	23,330	55,673
<u>3,933,936</u>	<u>9,070,181</u>	<u>38,001,736</u>
<u>(508,599)</u>	<u>191,610</u>	<u>1,189,183</u>
-	-	289,170
-	-	13,555
-	-	23,165
-	162,650	325,175
-	-	(325,175)
-	-	3,558
<u>-</u>	<u>162,650</u>	<u>329,448</u>
(508,599)	354,260	1,518,631
1,119,794	3,176,172	16,023,752
<u>\$ 611,195</u>	<u>\$ 3,530,432</u>	<u>\$ 17,542,383</u>

**COSHOCTON COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Net change in fund balances - total governmental funds</b>	\$	1,518,631
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense exceeded capital outlays in the current period accordingly.		
Capital asset additions	\$	1,149,150
Current year depreciation		<u>(1,975,752)</u>
Total		(826,602)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(83,567)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		6,697
Sales taxes		(68,801)
Intergovernmental		(156,896)
Investment income		<u>(1,644)</u>
Total		(220,644)
Repayment of bond, note, lease and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		349,098
Proceeds of notes and capital leases are recognized as other financing sources in the governmental funds, however, in the statement of activities they are not reported as revenues as they increase liabilities on the statement of net assets.		(312,335)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:		
Increase in accrued interest payable		(797)
Amortization of bond premiums		1,172
Amortization of deferred charges on refundings		<u>(7,200)</u>
Total		(6,825)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		2,181,848
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		(4,966,550)
Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(28,987)
The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		<u>288,665</u>
<b>Change in net position of governmental activities</b>	\$	<u><u>(2,107,268)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,498,613	\$ 1,850,096	\$ 1,850,136	\$ 40
Sales taxes . . . . .	4,502,897	5,559,000	5,558,997	(3)
Payment in lieu of taxes . . . . .	810	1,000	855	(145)
Charges for services . . . . .	924,131	1,140,875	1,142,250	1,375
Licenses and permits . . . . .	1,709	2,110	2,855	745
Fines and forfeitures . . . . .	38,678	47,750	46,697	(1,053)
Intergovernmental . . . . .	1,323,238	1,633,589	1,633,497	(92)
Investment income . . . . .	198,506	245,063	243,548	(1,515)
Rental income . . . . .	560,695	692,200	694,648	2,448
Contributions and donations . . . . .	1,620	2,000	2,086	86
Other . . . . .	279,295	344,800	349,835	5,035
<b>Total revenues . . . . .</b>	<u>9,330,192</u>	<u>11,518,483</u>	<u>11,525,404</u>	<u>6,921</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	3,491,797	3,671,817	3,344,034	327,783
Judicial . . . . .	2,425,616	2,440,824	2,295,804	145,020
Public safety . . . . .	4,385,159	4,296,731	3,998,253	298,478
Public works . . . . .	252,709	523,082	490,396	32,686
Health . . . . .	122,384	85,990	85,701	289
Human services . . . . .	410,926	429,725	367,436	62,289
Conservation and recreation . . . . .	2,200	2,200	2,200	-
Capital outlay . . . . .	120,982	169,388	163,868	5,520
Intergovernmental . . . . .	202,800	202,800	202,800	-
Other . . . . .	543,041	538,300	531,028	7,272
Debt service:				
Principal retirement . . . . .	124,370	124,370	124,370	-
Interest and fiscal charges . . . . .	23,893	23,893	23,893	-
<b>Total expenditures . . . . .</b>	<u>12,105,877</u>	<u>12,509,120</u>	<u>11,629,783</u>	<u>879,337</u>
Excess of expenditures over revenues . . . . .	<u>(2,775,685)</u>	<u>(990,637)</u>	<u>(104,379)</u>	<u>886,258</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	289,170	289,170	289,170	-
Sale of capital assets . . . . .	14,000	14,000	13,555	(445)
Advances in . . . . .	23,883	23,883	23,883	-
Advances (out) . . . . .	(21,000)	(23,000)	(21,000)	2,000
Transfers (out) . . . . .	(292,025)	(271,525)	(271,525)	-
Capital lease transaction . . . . .	23,165	23,165	23,165	-
Insurance proceeds . . . . .	3,500	3,500	3,558	58
Other financing sources . . . . .	114,900	114,900	120,072	5,172
Other financing uses . . . . .	(2,081)	(2,081)	(2,078)	3
<b>Total other financing sources (uses) . . . . .</b>	<u>153,512</u>	<u>172,012</u>	<u>178,800</u>	<u>6,788</u>
Net change in fund balances . . . . .	(2,622,173)	(818,625)	74,421	893,046
<b>Fund balances at beginning of year . . . . .</b>	2,849,079	2,849,079	2,849,079	-
<b>Prior year encumbrances appropriated . . . . .</b>	496,041	496,041	496,041	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 722,947</u>	<u>\$ 2,526,495</u>	<u>\$ 3,419,541</u>	<u>\$ 893,046</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 HUMAN SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 3,424,592	\$ 3,750,000	\$ 3,758,748	\$ 8,748
Other . . . . .	22,283	24,400	24,126	(274)
Total revenues . . . . .	<u>3,446,875</u>	<u>3,774,400</u>	<u>3,782,874</u>	<u>8,474</u>
<b>Expenditures:</b>				
Current:				
Human services. . . . .	3,773,585	4,058,518	4,071,866	(13,348)
Total expenditures . . . . .	<u>3,773,585</u>	<u>4,058,518</u>	<u>4,071,866</u>	<u>(13,348)</u>
Excess of expenditures over revenues. . . . .	<u>(326,710)</u>	<u>(284,118)</u>	<u>(288,992)</u>	<u>(4,874)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	162,525	162,525	162,525	-
Other financing sources . . . . .	15,000	15,000	15,101	101
Total other financing sources. . . . .	<u>177,525</u>	<u>177,525</u>	<u>177,626</u>	<u>101</u>
Net change in fund balances . . . . .	(149,185)	(106,593)	(111,366)	(4,773)
<b>Fund balances at beginning of year . . . . .</b>	(7,067)	(7,067)	(7,067)	-
<b>Prior year encumbrances appropriated . . . . .</b>	113,660	113,660	113,660	-
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ (42,592)</u>	<u>\$ -</u>	<u>\$ (4,773)</u>	<u>\$ (4,773)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE LICENSE AND GAS TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 43,820	\$ 44,900	\$ 47,222	\$ 2,322
Intergovernmental. . . . .	4,652,378	4,767,000	4,725,855	(41,145)
Investment income. . . . .	8,979	9,200	9,233	33
Other . . . . .	84,323	86,400	88,174	1,774
<b>Total revenues . . . . .</b>	<u>4,789,500</u>	<u>4,907,500</u>	<u>4,870,484</u>	<u>(37,016)</u>
<b>Expenditures:</b>				
Current:				
Public works . . . . .	5,593,952	5,567,913	4,911,200	656,713
Debt service:				
Principal retirement. . . . .	75,000	75,000	75,000	-
Interest and fiscal charges . . . . .	8,450	8,450	8,450	-
<b>Total expenditures . . . . .</b>	<u>5,677,402</u>	<u>5,651,363</u>	<u>4,994,650</u>	<u>656,713</u>
Excess of expenditures over revenues. . . . .	<u>(887,902)</u>	<u>(743,863)</u>	<u>(124,166)</u>	<u>619,697</u>
<b>Other financing sources:</b>				
Other financing sources . . . . .	5,500	5,500	5,429	(71)
<b>Total other financing sources . . . . .</b>	<u>5,500</u>	<u>5,500</u>	<u>5,429</u>	<u>(71)</u>
Net change in fund balances . . . . .	(882,402)	(738,363)	(118,737)	619,626
<b>Fund balances at beginning of year . . . . .</b>	837,190	837,190	837,190	-
<b>Prior year encumbrances appropriated . . . . .</b>	455,399	455,399	455,399	-
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ 410,187</u>	<u>\$ 554,226</u>	<u>\$ 1,173,852</u>	<u>\$ 619,626</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COUNTY BOARD OF DD FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,652,245	\$ 2,862,700	\$ 2,862,701	\$ 1
Charges for services. . . . .	231,647	250,028	244,968	(5,060)
Intergovernmental. . . . .	1,611,378	1,739,240	1,708,875	(30,365)
Contributions and donations. . . . .	1,853	2,000	606	(1,394)
Other . . . . .	23,162	25,000	25,863	863
<b>Total revenues . . . . .</b>	<u>4,520,285</u>	<u>4,878,968</u>	<u>4,843,013</u>	<u>(35,955)</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	5,324,272	5,417,658	5,168,958	248,700
<b>Total expenditures . . . . .</b>	<u>5,324,272</u>	<u>5,417,658</u>	<u>5,168,958</u>	<u>248,700</u>
Excess of expenditures over revenues . . . . .	<u>(803,987)</u>	<u>(538,690)</u>	<u>(325,945)</u>	<u>212,745</u>
<b>Other financing sources:</b>				
Other financing sources . . . . .	85,000	85,000	85,836	836
<b>Total other financing sources . . . . .</b>	<u>85,000</u>	<u>85,000</u>	<u>85,836</u>	<u>836</u>
Net change in fund balances . . . . .	(718,987)	(453,690)	(240,109)	213,581
<b>Fund balances at beginning of year . . . . .</b>	5,010,989	5,010,989	5,010,989	-
<b>Prior year encumbrances appropriated . . . . .</b>	138,542	138,542	138,542	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,430,544</u>	<u>\$ 4,695,841</u>	<u>\$ 4,909,422</u>	<u>\$ 213,581</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EMERGENCY AMBULANCE LEVY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,970,956	\$ 1,919,000	\$ 1,918,966	\$ (34)
Charges for services. . . . .	1,299,250	1,265,000	1,280,499	15,499
Intergovernmental. . . . .	223,491	217,600	217,980	380
Contributions and donations. . . . .	1,130	1,100	1,120	20
Other . . . . .	70,355	68,500	67,585	(915)
<b>Total revenues . . . . .</b>	<u>3,565,182</u>	<u>3,471,200</u>	<u>3,486,150</u>	<u>14,950</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	3,768,920	4,123,729	4,023,789	99,940
<b>Total expenditures . . . . .</b>	<u>3,768,920</u>	<u>4,123,729</u>	<u>4,023,789</u>	<u>99,940</u>
Excess of expenditures over revenues . . . . .	<u>(203,738)</u>	<u>(652,529)</u>	<u>(537,639)</u>	<u>114,890</u>
<b>Other financing sources (uses):</b>				
Transfers (out). . . . .	<u>(100,000)</u>	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances . . . . .</b>	<u>(303,738)</u>	<u>(652,529)</u>	<u>(537,639)</u>	<u>114,890</u>
<b>Fund balances at beginning of year . . . . .</b>	819,731	819,731	819,731	-
<b>Prior year encumbrances appropriated . . . . .</b>	60,510	60,510	60,510	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 576,503</u>	<u>\$ 227,712</u>	<u>\$ 342,602</u>	<u>\$ 114,890</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**  
**(SEE ACCOUNTANT'S COMPILATION REPORT)**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments . . . . .	\$ 1,249,278
Cash with fiscal agent. . . . .	638,948
Noncurrent assets:	
Net pension asset. . . . .	<u>150</u>
Total assets . . . . .	<u>1,888,376</u>
<b>Deferred outflows of resources:</b>	
Pension - OPERS . . . . .	<u>30,515</u>
Total deferred outflows of resources . . . . .	<u>30,515</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	1,952
Accrued wages and benefits payable . . . . .	745
Due to other governments . . . . .	507
Claims payable . . . . .	294,931
Long-term liabilities:	
Net pension liability . . . . .	<u>65,472</u>
Total liabilities . . . . .	<u>363,607</u>
<b>Deferred inflows of resources:</b>	
Pension - OPERS. . . . .	<u>474</u>
Total deferred inflows of resources . . . . .	<u>474</u>
<b>Net position:</b>	
Unrestricted . . . . .	<u>1,554,810</u>
Total net position. . . . .	<u>\$ 1,554,810</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 4,318,951
Other . . . . .	65,914
Total operating revenues. . . . .	<u>4,384,865</u>
<b>Operating expenses:</b>	
Personal services . . . . .	68,487
Contract services. . . . .	758,682
Claims. . . . .	3,272,424
Other . . . . .	2,446
Total operating expenses. . . . .	<u>4,102,039</u>
Operating income . . . . .	<u>282,826</u>
<b>Nonoperating expenses:</b>	
Interest and fiscal charges . . . . .	5,839
Total nonoperating expenses . . . . .	<u>5,839</u>
Change in net position . . . . .	288,665
<b>Net position at beginning of year. . . . .</b>	<u>1,266,145</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 1,554,810</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COSHOCTON COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 (SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services . . . . .	\$ 4,318,951
Cash received from other receipts. . . . .	65,914
Cash payments for personal services . . . . .	(58,707)
Cash payments for contractual services . . . . .	(758,682)
Cash payments for claims . . . . .	(3,298,971)
Cash payments for other expenses. . . . .	<u>(2,446)</u>
Net cash provided by operating activities . . . . .	<u>266,059</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>5,839</u>
Net cash provided by investing activities . . . . .	<u>5,839</u>
Net increase in cash and cash equivalents. . . . .	271,898
<b>Cash and cash equivalents at beginning of year . . .</b>	1,616,328
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 1,888,226</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income. . . . .	\$ 282,826
Changes in assets, deferred outflows, liabilities and deferred inflow:	
Increase in net pension asset. . . . .	(68)
Increase in deferred outflows - pension - OPERS . . .	(14,406)
Increase in accounts payable . . . . .	629
Decrease in accrued wages and benefits . . . . .	(269)
Decrease in due to other governments . . . . .	(4)
Decrease in claims payable. . . . .	(26,547)
Increase in net pension liability . . . . .	24,313
Decrease in deferred inflows - pension - OPERS . . . .	<u>(415)</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 266,059</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



COSHOCTON COUNTY, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and investments. . . . .	\$ 2,078,673
Cash in segregated accounts . . . . .	248,052
Receivables:	
Real and other taxes. . . . .	31,011,840
Due from other governments . . . . .	<u>1,944,107</u>
Total assets . . . . .	<u>\$ 35,282,672</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	\$ 8,771
Due to other governments . . . . .	32,963,794
Deposits held and due to others . . . . .	<u>2,310,107</u>
Total liabilities . . . . .	<u>\$ 35,282,672</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 1 - DESCRIPTION OF THE COUNTY

Coshocton County, Ohio (the "County") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by the Ohio State Legislature in 1811. The County is governed by a three-member Board of Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County.

The County Auditor serves as fiscal officer for the County and the tax assessor for all political subdivisions within the County. The County Treasurer is required by Ohio law to collect locally assessed taxes. As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. Other elected officials include the Prosecutor, Engineer, Recorder, Sheriff, Coroner, Clerk of Courts and Common Pleas Judges.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The most significant of the County's accounting policies are described below.

##### A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61 "The Financial Reporting Entity Omnibus on Amendment of GASB Statements No. 14 and 34." The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statement of the County are not misleading.

The primary government consists of all funds, departments, Boards, and agencies that are not legally separate from the County. For the County, this includes Coshocton County Regional Airport Authority; and other departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the Organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading.

Based on the foregoing criteria, the financial activities of the following PCU's have been reflected in the accompanying basic financial statements as:

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*DISCRETELY PRESENTED COMPONENT UNIT*

The component unit column in the combined financial statements identifies the financial data of the County's component unit: Coshocton County Regional Airport Authority. They are reported separately to emphasize that they are legally separate from the County.

Coshocton County Regional Airport Authority (the "Authority") - is a legally separate regional airport authority established pursuant to Section 308.03 of the Ohio Revised Code, for the purpose of acquiring, constructing, operating, and maintaining an airport and airport facility in, and for, Coshocton County. Coshocton County Commissioners appoint a voting majority of the Board and the County has a financial benefit/burden relationship with the Authority.

Information related to Coshocton County Regional Airport Authority is presented in Note 25.

*EXCLUDED POTENTIAL COMPONENT UNITS*

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the County Treasurer invests 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 and custodian, but is not accountable; therefore, the operations of the following PCUs have been excluded from the County's basic financial statements, but the funds held on behalf of these PCUs in the County Treasury are included in the agency funds.

Information in the notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

*JOINTLY GOVERNED ORGANIZATIONS*

Solid Waste District (the "District") - The County is a member of the Coshocton, Fairfield, Licking, and Perry Solid Waste District, which is a jointly governed organization. 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, consisting 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. During 2017, the County paid \$28,898 to the District.

A twenty-nine-member policy committee, consisting 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 Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Muskingum Mental Health and Recovery Board - (the "MH&R") - The MH&R Board is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble counties. The board has responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The MH&R is managed by an fourteen-member Board of Trustees; eight appointed by the member Counties, commissioners of the participating counties, six by the Director of the Ohio Department of Mental Health and Addiction Services. The MH&R Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2017, Coshocton County contributed \$368,926 from levy proceeds. Additional revenues are provided by levies from other member counties, and State and federal grants awarded to the multi-county board. Continued existence of the MH&R is not dependent on the County's participation and no equity interest exists.

Area Office on Aging (the "Council") - The Area Office on Aging is a regional council of governments that assists nine counties, including Coshocton County, in providing services to senior citizens in the Council's service area. Additionally, the Council serves individuals of all ages through the caregiver program, chronic disease self-management programs and our administration of the Ohio Home Care Waiver. The Council is governed by a Board of Directors consisting of one representative appointed by each participating County. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists. The Council has no outstanding debt. During 2017, the County paid \$65 to the Council.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and State grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2017, Coshocton County paid \$36,716 to MEORC for residential services.

Ohio Mid-Eastern Governments Association (OMEGA) - OMEGA is organized as an agency of the local governments by agreement among the membership. OMEGA provides opportunities in economic and community development through networking, education, planning, research and allocation of resources. OMEGA consists of Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas and Columbiana Counties and other political subdivisions in the counties.

OMEGA's governing board consists of a twenty-one-member Executive Board comprised of members appointed from each participating county and the cities within each county to supervise the administrative functions of OMEGA. The executive board elects officers and appoints an executive director and its own fiscal officer. The board exercises total control, including budgeting, appropriating, contracting, and designating management.

The continued existence of OMEGA is not dependent on the County's continued participation and no equity interest exists. OMEGA has no outstanding debt. During 2017, the County contributed \$3,853 to OMEGA.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Coshocton County Family and Children First Council (Council) - The mission of the Council is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of individuals from various organizations including the County. During 2017, the County paid \$69,412 to the Council for services.

Coshocton Port Authority (Port Authority) - The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide or promote transportation, economic development, education, governmental operations, culture, or research within the County. The Port Authority is governed by a five-member Board of Directors. Two members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the County Commissioner and the fifth appointment shall be approved by the four current members. The County paid \$60,000 to the Port Authority during 2017.

#### *PUBLIC ENTITY RISK POOL*

The Jefferson Health Plan - The County Board of Developmental Disabilities (DD) participates in the Jefferson Health Plan (the Plan) self-insurance plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of ninety members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance and vision insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit, which can range from \$35,000 to \$150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life, and allows for the purchase of vision insurance through Vision Service Plan.

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

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. 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. The County's payment for insurance to CORSA in 2017 was \$200,611.

*RELATED ORGANIZATIONS*

Coshocton Metropolitan Housing Authority (the "Authority") - The Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five-member Board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

Coshocton City and County Park District (the "District") - The District is a legally separate organization created pursuant to Ohio Revised Code Section 1545.01. The County cannot impose its will on the District and a financial benefit/burden relationship does not exist. State statute provides that the County Auditor and Treasurer are ex-officio members of the Park District Board of Commissioners and designates the County Auditor as fiscal officer of the commission. Neither do the County Commissioners have the ability to significantly influence operations, designate management, approve budgets, nor does the County have responsibility for funding deficits. The County maintains an agency fund for the District's operation since the County Auditor serves as fiscal agent for the District.

*JOINT VENTURE WITHOUT EQUITY INTEREST*

Coshocton County Regional Planning Commission (the "Commission") - The Commission was created under ORC 713.21. They make studies, maps, and other reports of the region showing their recommendations for systems of transportation, highways, parks, and recreational facilities, water supplies, sewage disposal, garbage disposal, civil centers, and other public improvements which affect the development of the region as a whole, or more than one political subdivision within the region. At year end the County had no equity interest in the Commission.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### **B. Basis of Presentation**

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

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

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

##### **C. Fund Accounting**

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

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

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

***Human services fund*** - This fund accounts for various federal and state grants as well as transfers from the general fund used to provide public assistance to general relief recipients, medical assistance and certain public social services.



## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Motor vehicle license and gasoline tax fund - This fund accounts for State gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads.

County board of developmental disabilities (the "county board of DD") fund - This fund accounts for a county-wide property tax levy, federal and state grants and reimbursements used for care and services for the developmentally disabled.

Emergency ambulance levy fund - This fund accounts for a county-wide property tax levy used to operate the County emergency ambulance service.

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

**Proprietary Funds** - Proprietary funds focus on the determination of changes in net position, financial position, and cash flows, and are classified as either enterprise or internal service. The County's only proprietary funds are internal service funds.

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 has two internal service funds, both account for self-insurance programs.

**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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's only fiduciary funds are agency funds which account for property taxes, special assessments, "pass through" monies to be disbursed to local governments other than the County, and separate agencies, boards, and commissions for which the County serves as fiscal agent and custodian.

#### D. Measurement Focus

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the County are included on the statement of net position.

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

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its internal service fund activities.

Agency funds do not report a measurement focus as they do not report operations.

**E. Basis of Accounting**

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from all other nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, see Note 18 for deferred outflows of resources related the County's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the County, see Note 18 for deferred inflows of resources related to the County's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

*Expense/Expenditures* - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**F. Budgetary Data**

All funds, other than agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, 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 that the County Commissioners may appropriate. The appropriation resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the County Commissioners at the object level within each department.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

**G. Cash and Investments**

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2017, the County invested in federal agency securities, commercial paper, U.S. Government money markets, negotiable certificates of deposit, the State Treasury Asset Reserve of Ohio (STAR Ohio) and non-negotiable certificates of deposit. The federal agency securities are reported at fair value which is based on quoted market prices. Non-negotiable certificates of deposit are reported at cost.

During 2017, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The County measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2017 amounted to \$152,792 which includes \$111,756 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the financial statements sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The County has monies being held by the Mid East Ohio Regional Council of Governments (MEORC), the Jefferson Health Plan. These funds held at year end are reflected on the financial statements as “cash with fiscal agent”.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

On government-wide and fund financial statements, purchased inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**J. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a threshold of \$5,000 for general capital assets and a threshold of \$100,000 for infrastructure capital assets.

The County's governmental infrastructure assets consist of roads, bridges and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Machinery and Equipment	8 - 15 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years
Software	5 - 7 years

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

**L. Accrued Liabilities and Long-term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans, notes, capital leases and lease purchase agreements are recognized as a liability in the fund financial statements when due.

**M. Interfund Transactions**

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/interfund payable" for the current portion of interfund loans or loans to/from other funds for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". These amounts are eliminated on the statement of net position.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

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

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

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

##### **O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consist primarily of monies restricted for capital outlays, maintenance and repairs of facilities.

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

**Q. Estimates**

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

**R. Interfund Activity**

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

**S. Pensions**

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

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or event that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County did not have any extraordinary or special items during 2017.



**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**U. Fair Value Measurements**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2017, the County has implemented GASB Statement No. 80, *“Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14”*, GASB Statement No. 81 *“Irrevocable Split-Interest Agreements”*, and GASB Statement No. 82, *“Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73”*.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the County.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the County.

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

**B. Deficit Fund Balances**

Fund balances at December 31, 2017 included the following individual fund deficits:

<u>Major funds</u>	<u>Deficit</u>
Human Services	\$ 160,006
 <u>Nonmajor funds</u>	
Victims Assistance Grant	151
Child Support Enforcement Agency	37,866

The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demand 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 in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the three highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature, or be redeemable, within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name. During 2017, the County and public depositories complied with the provisions of these statutes.

**A. Cash with Fiscal Agent**

At December 31, 2017, the County had \$645,301 in monies held by MEORC as fiscal agent. These funds are held outside of the County Treasury and are not included in "deposits with financial institutions" below.

At December 31, 2017, the County's internal service fund had a balance of \$638,948 with the Jefferson Health Plan, a claims servicing pool. The money is held by the claims servicing pool in a pooled account.

**B. Cash on Hand**

At December 31, 2017, the County had \$958 in cash on hand which is reported on the financial statements as part of "equity in pooled cash and cash equivalents".

**C. Deposits with Financial Institutions**

At December 31, 2017, the carrying amount of all County deposits was \$3,166,447 and the bank balance of all County deposits was \$3,699,237. Of the bank balance, \$2,112,711 was covered by the FDIC and \$1,586,526 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. Financial institutions which have received an extension (the “grace period”) from the Ohio Treasurer of State to participate in the OPCS beyond December 31, 2017 may also pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits to be secured by the pooled securities that are not covered by any federal deposit insurance. For 2017, none of the County’s financial institutions participated in the OPCS, because they received the extension of time to participate.

**D. Investments**

As of December 31, 2017, the County had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
Fair Value:						
Negotiable CDs	\$ 6,055,036	\$ 495,594	\$ 1,490,027	\$ -	\$ 1,979,892	\$ 2,089,523
U.S. Govt Money Market	155,341	155,341	-	-	-	-
Commercial Paper	741,731	741,731	-	-	-	-
FFCB	2,759,879	-	-	-	-	2,759,879
FHLB	246,713	-	-	-	-	246,713
FHLMC	4,605,338	-	-	-	-	4,605,338
Amortized Cost:						
STAR Ohio	<u>1,181,710</u>	<u>1,181,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,745,748</u>	<u>\$ 2,574,376</u>	<u>\$ 1,490,027</u>	<u>\$ -</u>	<u>\$ 1,979,892</u>	<u>\$ 9,701,453</u>

The weighted average maturity of investments is 2.49 years.

The County’s investments in federal agency securities, negotiable certificates of deposit, commercial paper and U.S. Government money market are valued using quoted market prices (Level 1 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County’s investment policy limits investment portfolio maturities to five years or less.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The U.S. Government money market carry a rating of AAAM by Standard & Poor's and Aaa-mf by Moody. The federal agency securities carry a rating of AA+ and Aaa by Standard & Poor's and Moody, respectively. The County's investment policy does not specifically address credit risk beyond requiring the County to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the County's name. The County 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 County Treasurer or qualified trustee.

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
Negotiable CDs	\$ 6,055,036	38.45
U.S. Govt Money Market	155,341	0.99
Commercial Paper	741,731	4.71
FFCB	2,759,879	17.53
FHLB	246,713	1.57
FHLMC	4,605,338	29.25
Amortized Cost:		
STAR Ohio	<u>1,181,710</u>	<u>7.50</u>
Total	<u>\$ 15,745,748</u>	<u>100.00</u>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,166,447
Investments	15,745,748
Cash on hand	958
Cash with fiscal agent	<u>1,284,249</u>
Total	<u>\$ 20,197,402</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 17,870,677
Agency funds	<u>2,326,725</u>
Total	<u>\$ 20,197,402</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

Interfund transfers for the year ended December 31, 2017, consisted of the following, as reported on the fund financial statements:

<u>Transfer from general fund to:</u>	
Human Services fund	\$ 162,525
Nonmajor governmental	<u>162,650</u>
Total transfers	<u>\$ 325,175</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in 2017 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

**B. Due To/From Other Funds**

The County had the following amounts due to/from other funds at December 31, 2017:

Fund	Due from other funds	Due to other funds
General fund	\$ 18,544	\$ 2,620
Human services fund	-	29,972
Nonmajor governmental	27,107	13,059
Total	\$ 45,651	\$ 45,651

Amounts due to/from other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Due to/from other fund balances between governmental funds are eliminated for reporting on the government-wide statement of net position.

**C. Interfund Balances**

Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2017, consist of the following individual fund loan receivable and payable as reported on the fund statements:

Fund	Interfund receivable	Interfund payable
General fund	\$ 7,000	\$ -
Nonmajor governmental	-	7,000
Total	\$ 7,000	\$ 7,000

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

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

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY TAXES - (Continued)**

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing district their portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all County operations for the year ended December 31, 2017 was \$14.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real property	\$ 652,306,860
Public utility personal property	<u>149,338,190</u>
Total assessed value	<u><u>\$ 801,645,050</u></u>

**NOTE 7 - PERMISSIVE SALES AND USE TAX**

In 1971, the County Commissioners, by resolution, imposed a one-half percent tax on all retail sales made in the County. In 1984, the County Commissioners, by resolution, imposed an additional one-half percent tax on all retail sales made in the County. At the end of 2005, the County Commissioners by resolution imposed a one-half percent tax on all retail sales made in the County for specific use in the Justice System to begin January 1, 2006. The State Tax Commissioner certifies to the Ohio Office of Budget and 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 the month. The Ohio Office of Budget and Management then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the general fund. Sales tax revenue in 2017 amounted to \$5,425,533 with the entire amount credited to the general fund.



**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE**

During the current year and during a prior year, the County entered into lease agreements for the acquisition of copiers, server equipment and an energy management system. The assets have been capitalized in governmental capital assets in the amount of \$85,714, the present value of the minimum lease payments at the inception of the lease. Principal and interest payments for the capital lease obligation are made from the general fund and the County agency coordinated transportation fund (a nonmajor governmental fund).

<u>Year</u>	<u>Amount</u>
2018	\$ 17,435
2019	14,180
2020	11,320
2021	6,618
2022	<u>827</u>
Total minimum lease payments	50,380
Less: amount representing interest	<u>(3,627)</u>
Present value of minimum lease payments	<u>\$ 46,753</u>

**NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During a prior year, the County entered into lease purchase agreements with financial institutions to assist in financing telephone, HVAC, radio equipment and police cruisers.

General capital assets acquired by agreement have been capitalized in an amount equal to the present value of the future minimum lease payments as of the date of their inception. For the County, a corresponding liability was recorded in the government-wide financial statements. Principal payments in 2017 totaled \$82,299. Principal and interest payments are made from the general fund and the 911 levy fund (a nonmajor governmental fund).

Capital assets consisting of machinery and equipment have been capitalized in the amount of \$627,602 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. The assets associated with the radio equipment lease have not been capitalized, because individually, the pieces of radio equipment are below the County's capitalization threshold.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE (Continued)**

The following is a schedule of the future minimum lease payments required under the lease purchase agreement and the present value of the minimum lease payments as of December 31, 2017:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 90,123
2019	90,123
2020	90,123
2021	90,123
2022	90,123
2023	<u>90,123</u>
Total minimum lease payments	540,738
Less: amount representing interest	<u>(43,333)</u>
Present value of future minimum lease payments	<u>\$ 497,405</u>

**NOTE 10 - OPERATING LEASE - LESSOR DISCLOSURE**

The County is the lessor of oil and gas rights on certain land parcels owned by the County to Anadarko E&P Company LP. The lease agreement is from May 11, 2012 through May 11, 2017. The County will receive royalty payments once the operation produces oil and gas.

**NOTE 11 - COMPENSATED ABSENCES**

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. No vacation time shall be carried over for more than three years. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

**NOTE 12 - CONTINGENT LIABILITIES**

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

At year end, the County was involved in a pending lawsuit as a defendant. However, at December 31, the outcome of the lawsuit is undetermined.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
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**NOTE 13 - RECEIVABLES**

Receivables at December 31, 2017, consisted of taxes, accounts, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2017. A summary of the principal items due from other governments:

Fund / Type	Amount
Major funds:	
General fund:	
Local government revenue	\$ 202,409
Medicaid transitional local sales tax	703,715
Casino tax	218,171
Homestead and rollback	101,264
Miscellaneous reimbursements	68,749
	1,294,308
Human services fund:	
Miscellaneous grants and reimbursements	85,839
	85,839
Motor vehicle license and gasoline tax fund:	
License, gasoline and permissive taxes	1,974,850
Miscellaneous grants and reimbursements	78,090
	2,052,940
County board of DD fund:	
Homestead and rollback	118,667
Miscellaneous grants and reimbursements	86,823
	205,490
Emergency ambulance levy fund:	
Homestead and rollback	104,807
	104,807
Other governmental funds:	
Homestead and rollback	56,763
Miscellaneous grants and reimbursements	365,691
	422,454
Total due from other governments	\$ 4,165,838

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 14 - LOAN RECEIVABLE**

On October 1, 2014, the Coshocton County Board of Developmental Disabilities (the "Board") agreed to subsidize the Coshocton Community Housing Corporation (the "Corporation") through a \$67,000 grant for the down payment of a newly constructed house. \$30,000 of this grant is to be reimbursed back to the Board through monthly payments. These payments are not to exceed 7 years and are said to begin once the house has full occupancy. At December 31, 2017, the Corporation had made one payment on the loan, and as a result a loan receivable in the amount of \$27,500 has been reported by the County.

**NOTE 15 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,245,042	\$ 305,547	\$ -	\$ 1,550,589
Total capital assets, not being depreciated	<u>1,245,042</u>	<u>305,547</u>	<u>-</u>	<u>1,550,589</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	14,426,347	603,725	-	15,030,072
Machinery and equipment	4,754,568	92,893	(58,104)	4,789,357
Vehicles	4,194,185	105,015	(343,875)	3,955,325
Infrastructure	30,736,445	-	-	30,736,445
Software	647,477	41,970	(12,008)	677,439
Total capital assets, being depreciated	<u>54,759,022</u>	<u>843,603</u>	<u>(413,987)</u>	<u>55,188,638</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(8,359,623)	(359,485)	-	(8,719,108)
Machinery and equipment	(3,533,153)	(192,768)	52,255	(3,673,666)
Vehicles	(2,605,119)	(218,862)	271,560	(2,552,421)
Infrastructure	(16,644,128)	(1,171,239)	-	(17,815,367)
Software	(467,205)	(33,398)	6,605	(493,998)
Total accumulated depreciation	<u>(31,609,228)</u>	<u>(1,975,752)</u>	<u>330,420</u>	<u>(33,254,560)</u>
Total capital assets, being depreciated net	<u>23,149,794</u>	<u>(1,132,149)</u>	<u>(83,567)</u>	<u>21,934,078</u>
Governmental activities capital assets, net	<u>\$ 24,394,836</u>	<u>\$ (826,602)</u>	<u>\$ (83,567)</u>	<u>\$ 23,484,667</u>

**COSHOCTON COUNTY, OHIO**

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**NOTE 15 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government:

Legislative and executive	\$ 164,806
Judicial	67,710
Public safety	101,486
Public works	1,331,454
Health	199,370
Human services	109,798
Conservation and recreation	<u>1,128</u>

Total depreciation expense - governmental activities \$ 1,975,752

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**NOTE 16 - LONG-TERM OBLIGATIONS**

During 2017, the following changes occurred in governmental activities long-term obligations.

	Issue	Maturity	Interest	Balance			Balance	Amount Due
	Date	Date	Rate	12/31/16	Additions	Reductions	12/31/17	in One Year
<b>Governmental Activities:</b>								
<u>General obligation bonds:</u>								
County Garage Building - Refunding Bonds	2011	12/1/2019	1.40-4.00%	230,000	-	(75,000)	155,000	75,000
General Obligation Taxable Refunding Bonds	2016	12/1/2021		395,000	-	(75,000)	320,000	75,000
Information Technology Acquisition Bonds	2015	4/13/2020	2.15%	154,705	-	(37,452)	117,253	38,257
Property Acquisition Bonds	2015	4/13/2020	2.15%	145,523	-	(35,229)	110,294	35,986
Total general obligation bonds				<u>925,228</u>	<u>-</u>	<u>(222,681)</u>	<u>702,547</u>	<u>224,243</u>
<u>Notes</u>								
Promissory Note	2014	5/1/2019	1.95%	373,567	-	(17,536)	356,031	17,865
Home Loan Savings Building	2017	5/5/2026	2.50%	-	289,170	-	289,170	28,917
Total notes				<u>373,567</u>	<u>289,170</u>	<u>(17,536)</u>	<u>645,201</u>	<u>46,782</u>
<u>Loans:</u>								
OWDA - Fresno/Pearl Sewer Construction	2010	1/1/2041	1.00%	191,893	-	(7,112)	184,781	7,183
Total Loans				<u>191,893</u>	<u>-</u>	<u>(7,112)</u>	<u>184,781</u>	<u>7,183</u>
<u>Other long-term obligations:</u>								
Capital Leases				43,058	23,165	(19,470)	46,753	15,652
Lease Purchase Agreements				579,704	-	(82,299)	497,405	77,986
Net Pension Liability				21,172,738	5,139,058	(288,712)	26,023,084	-
Compensated Absences				1,323,332	856,748	(823,053)	1,357,027	955,527
ERI Payable				26,123	-	(26,123)	-	-
Total Other Long-Term Obligations				<u>23,144,955</u>	<u>6,018,971</u>	<u>(1,239,657)</u>	<u>27,924,269</u>	<u>1,049,165</u>
Total general long-term obligations				<u>\$ 24,635,643</u>	<u>\$ 6,308,141</u>	<u>\$ (1,486,986)</u>	<u>29,456,798</u>	<u>\$ 1,327,373</u>
Add: unamortized premium on bond issuance							<u>2,243</u>	
Total reported on the statement of net assets							<u>\$ 29,459,041</u>	

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - LONG TERM OBLIGATIONS - (Continued)**

The general obligation bonds are direct obligations of the County and will be paid from the debt service funds (nonmajor governmental funds) and the motor vehicle license and gasoline tax fund using property tax revenues and gasoline tax revenues.

On April 6, 2016, the County issued \$395,000 in general obligation refunding bonds- Series 2016 for the purpose of refunding general obligation bonds - Series 2016. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding bonds are comprised of terms bonds, par value \$395,000. The bonds bear an interest rate of 2.780%. Principal and interest payments are made from the County debt service fund (a nonmajor governmental fund) and are due on December 1 and June 1 of each year. The bonds mature on December 1, 2021.

The reacquisition price exceeded the net carrying amount of old debt by \$24,475. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The County Garage Building refunding bonds are comprised of current interest bonds, par value \$640,000. The bonds bear interest rates ranging from 1.40% - 4.00%. Principal and interest payments are made from the motor vehicle license and gasoline tax fund and are due on December 1 of each year. The bonds mature on December 1, 2019.

The reacquisition price exceeded the net carrying amount of old debt by \$23,832. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

On April 13, 2015, the County issued \$191,357 in information technology acquisition bonds - series 2015 for the purpose of acquiring information technology. The bonds bear an interest rate of 2.15%. Principal and interest payments are made from the County general fund and are due on April 13 of each year. The bonds mature on April 13, 2020.

On April 13, 2015, the County issued \$180,000 in real estate acquisition bonds - series 2015 for the purpose of acquiring real estate. The bonds bear an interest rate of 2.15%. Principal and interest payments are made from the County debt service fund (a nonmajor governmental fund) and are due on April 13 of each year. The bonds mature on April 13, 2020.

On May 21, 2014, the County signed a \$407,600 promissory note for the purpose of building renovations. This note will be paid from the general fund.

On May 5, 2017, the County signed a \$289,170 promissory note for purchase of a building. This note will be paid from the general fund. The note has an interest rate of 2.50% and matures on May 5, 2026.

The Ohio Public Works Commission (OPWC) loans were paid from the motor vehicle license and gasoline tax fund using property tax revenues and gasoline tax revenues.

**COSHOCTON COUNTY, OHIO**

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**NOTE 16 - LONG TERM OBLIGATIONS - (Continued)**

The County has entered into a contractual agreement for a construction loan from the OWDA. Under the terms of this agreement, OWDA will reimburse, advance, or directly pay the construction costs of the approved projects. OWDA will capitalize administration costs and construction interest and then add them to the total amounts of the final loan. At December 31, 2017, the balance of the County's OWDA loan is \$184,781. The Ohio Water Development Authority (OWDA) loan will be paid from the debt service funds (nonmajor governmental funds) using user fees and property tax revenues.

Compensated absences will be paid from the fund from which the employees' salaries are paid, which, for the County, is primarily the general fund, the human services fund, the motor vehicle license and gasoline tax fund and the county board of DD fund.

Early retirement incentives were paid from the County Board of DD fund.

Refer to Notes 8 and 9 for detail on the capital leases and lease purchase agreement, respectively.

Refer to Note 18 for detail on the net pension liability.

The annual requirements to retire governmental activities debt are as follows.

Year Ending December 31,	General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest
2018	\$ 224,243	\$ 19,988	\$ 7,183	\$ 1,830
2019	235,839	13,308	7,255	1,758
2020	157,465	6,257	7,328	1,685
2021	85,000	2,363	7,402	1,612
2022	-	-	7,476	1,537
2023 - 2027	-	-	38,518	6,548
2028 - 2032	-	-	40,488	4,578
2033 - 2037	-	-	42,558	2,508
2038 - 2040	-	-	26,573	467
Total	<u>\$ 702,547</u>	<u>\$ 41,916</u>	<u>\$ 184,781</u>	<u>\$ 22,523</u>

Year Ending December 31,	Notes Payable		Total	
	Principal	Interest	Principal	Interest
2018	\$ 46,782	\$ 14,272	\$ 278,208	\$ 36,090
2019	367,083	13,192	610,177	28,258
2020	28,917	5,880	193,710	13,822
2021	28,917	5,130	121,319	9,105
2022	28,917	4,398	36,393	5,935
2023 - 2027	144,585	11,003	183,103	17,551
2028 - 2032	-	-	40,488	4,578
2033 - 2037	-	-	42,558	2,508
2038 - 2040	-	-	26,573	467
Total	<u>\$ 645,201</u>	<u>\$ 53,875</u>	<u>\$ 1,532,529</u>	<u>\$ 118,314</u>



**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - LONG TERM OBLIGATIONS - (Continued)**

Legal Debt Margin

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

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$17,873,229 at December 31, 2017 and the unvoted legal debt margin was \$8,016,451 at December 31, 2017.

**NOTE 17 - RISK MANAGEMENT**

**A. General Insurance**

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

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-five counties and thirty-two affiliated county public entity members in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include liability, property and crime insurance.

By contracting with the CORSA for liability, property, and crime insurance, the County has addressed these various types of risk. CORSA, a nonprofit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime coverage for its members. CORSA was established May 12, 1987 and has grown to sixty-five members.

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - RISK MANAGEMENT - (Continued)**

The CORSA program has a \$2,500 deductible per claim. Coverage provided by CORSA is as follows:

General liability	\$ 1,000,000
Law enforcement liability	1,000,000
Errors and omissions liability:	
Per occurrence	1,000,000
Annual aggregate	1,000,000
Back Wages- per occurrence	100,000
Cyber liability and expense	1,000,000
Automobile liability	1,000,000
Uninsured/underinsured motorists liability	250,000
Excess liability	5,000,000
Stop gap liability	1,000,000
Medical professional liability	6,000,000
Foster parents	6,000,000
Accounts receivable	1,000,000
Property - total covered value	45,824,124
Other property insurance:	
Extra expense/business income	2,500,000
Electronic Data Processing (EDP)	250,000
Media -per occurrence	250,000
Extra Expense - per occurrence	25,000
Sewer line coverage	2,539,620
Underground fiber optic lines	10,000
Law enforcement canines	14,000
Equipment breakdown	100,000,000
Crime insurance	1,000,000
Other coverage	
Attorney Disciplinary Proceedings	25,000
Dog Warden Blanket Bond	2,000

With the exception of workers' compensation, health insurance and all elected officials' bonds, all coverage is held with CORSA. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**B. Workers' Compensation**

The County participated in the County Commissioners Association of Ohio Workers' Compensation Group Retro Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. Performance discounts are given to pool members based on experience. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 17 - RISK MANAGEMENT - (Continued)**

**C. Health Care Self-Insurance**

The County maintains a Self-Insurance Internal Service Fund to account for, and finance, its uninsured risks of loss in this program. Effective January 1, 2016 a Third Party Administrator, Mutual Health Services, a division of Medical Mutual and located in Akron, Ohio began reviewing all claims which are then paid by the County. For January 1, 2016, the plan provided 3 different options for coverage for eligible County employees. The first option being Plan A – Buyup a major medical with a \$1,000 individual and \$2,000 family deductible and a Preferred Provider Network (PPO) with a \$500 individual and a \$1,000 family deductible. The second option being Plan B - Core a major medical with a \$2,000 individual deductible and a \$4,000 family deductible and a Preferred Provider Network (PPO) with a \$1,000 individual and a \$2,000 family deductible. The third option being a Plan C - Health Savings Account (HSA) major medical with a \$5,000 individual deductible and a \$10,000 family deductible and a Preferred Provider Network (PPO) with a \$2,600 deductible and a \$5,000 family deductible. The County purchases stop-loss coverage of \$90,000 per employee per year and an aggregate annual limit of \$1,000,000. For the period January 1, 2015 through December 31, 2015 the County provided three options for employees to choose from. Plan A- Buyup - \$2,080 family coverage, \$708 single, Employee + Spouse \$1,513 and Employee + child/children \$1,253. For Plan B – Core - \$1,901 family coverage, \$647 single coverage, \$1,386 Employee + spouse and \$1,149 employee + child/children. Plan C – HSA - \$1,875 family coverage, \$638 single, \$1,365 employee + spouse and \$1,135 employee + child/children coverage which represents the entire premium required.

The claims liability of \$242,352 reported in the fund at December 31, 2017, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund’s claims liability amount for 2017 and 2016 were:

	<u>Balance at</u>	<u>Current</u>	<u>Claim</u>	<u>Balance at</u>
	<u>Beginning of Year</u>	<u>Year Claims</u>	<u>Payments</u>	<u>End of Year</u>
2017	\$ 269,199	\$ 2,589,565	\$ (2,616,412)	\$ 242,352
2016	279,765	2,763,148	(2,773,714)	269,199

**COSHOCTON COUNTY, OHIO**

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**NOTE 17 - RISK MANAGEMENT - (Continued)**

**D. County Board of Developmental Disabilities Self-Insurance**

The Board of DD is self-insured for its medical, prescription drug, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Board of DD is a member of the Jefferson Health Plan, a claims servicing pool, consisting of ninety members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Board of DD's behalf. This plan provides a dental plan with a \$80.77 family and single premium, a medical plan with a \$1,520.12 family and \$755.75 single premium, a prescription drug plan with a \$322.79 family and \$146.90 single premium and a vision plan with a \$27.01 family and \$12.12 single premium. The Board of DD pays the entire premium. The Board of DD is responsible for payment of all medical, prescription, vision and dental claim amounts in excess of the employee payment percentages established in the Plan document. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$500,000. Claims above a \$35,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss.

The claims liability of \$52,579 reported in the fund at December 31, 2017, was estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount for 2017 and 2016 were:

		<u>Balance at</u> <u>Beginning of Year</u>		<u>Current</u> <u>Year Claims</u>		<u>Claim</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2017	\$	52,279	\$	682,859	\$	(682,559)	\$	52,579
2016		13,369		542,553		(503,643)		52,279

**NOTE 18 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability/Asset***

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

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

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

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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

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

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

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

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

**COSHOCTON COUNTY, OHIO**

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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

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

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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

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

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

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

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

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

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,163,308 for 2017. Of this amount, \$231,570 is reported as due to other governments.

**COSHOCTON COUNTY, OHIO**

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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11.5% of the 13% member rate goes to the DC Plan and the remaining 1.5% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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



**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the year ending December 31, 2017, plan members were required to contribute 14% of their annual covered salary. The County was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The 2017 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was \$46,860 for 2017. Of this amount, \$1,704 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.12014600%	0.08481000%	0.06138300%	0.00274362%	
Proportion of the net pension liability/asset current measurement date	<u>0.11487200%</u>	<u>0.10713200%</u>	<u>0.06901200%</u>	<u>0.00265062%</u>	
Change in proportionate share	<u>-0.00527400%</u>	<u>0.02232200%</u>	<u>0.00762900%</u>	<u>-0.00009300%</u>	
Proportionate share of the net pension liability	\$ 25,393,424	\$ -	\$ -	\$ 629,660	\$ 26,023,084
Proportionate share of the net pension asset	-	(58,044)	(279)	-	(58,323)
Pension expense	5,217,368	41,935	345	(278,085)	4,981,563

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 34,419	\$ -	\$ 2,849	\$ 24,313	\$ 61,581
Net difference between projected and actual earnings on pension plan investments	3,781,668	14,163	239	-	3,796,070
Changes of assumptions	4,027,703	14,147	315	137,714	4,179,879
Changes in employer's proportionate percentage/difference between employer contributions	4,726	-	-	14,952	19,678
County contributions subsequent to the measurement date	2,066,950	59,630	36,728	24,118	2,187,426
Total deferred outflows of resources	<u>\$ 9,915,466</u>	<u>\$ 87,940</u>	<u>\$ 40,131</u>	<u>\$ 201,097</u>	<u>\$ 10,244,634</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 151,127	\$ 29,686	\$ -	\$ 5,075	\$ 185,888
Net difference between projected and actual earnings on pension plan investments	-	-	-	20,779	20,779
Changes in employer's proportionate percentage/difference between employer contributions	347,473	-	-	42,648	390,121
Total deferred outflows of resources	<u>\$ 498,600</u>	<u>\$ 29,686</u>	<u>\$ -</u>	<u>\$ 68,502</u>	<u>\$ 596,788</u>

\$2,187,426 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
2018	\$ 3,006,735	\$ 2,750	\$ 499	\$ 16,470	\$ 3,026,454
2019	3,123,652	2,750	497	44,737	3,171,636
2020	1,330,378	2,140	483	40,708	1,373,709
2021	(110,848)	(2,880)	393	6,560	(106,775)
2022	(1)	(2,351)	407	2	(1,943)
Thereafter	-	(3,785)	1,124	-	(2,661)
<b>Total</b>	<b>\$ 7,349,916</b>	<b>\$ (1,376)</b>	<b>\$ 3,403</b>	<b>\$ 108,477</b>	<b>\$ 7,460,420</b>

***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, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience

study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

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

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 38,794,127	\$ 25,393,424	\$ 14,226,302
Combined Plan	4,172	(58,044)	(106,376)
Member-Directed Plan	672	(279)	(672)

**Actuarial Assumptions - STRS**

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

Inflation	2.50%
Projected salary increases	2.50% at age 65 to 12.50% at age 20
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

Post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016; pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016; and post-retirement disabled mortality rates are based on RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. The 2016 year mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022–Scale AA) for Males and Females. Males' ages were set back two years through age 89 and no set back for age 90 and above. Females younger than age 80 were set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study, effective July 1, 2017. As a result of the experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the COLA was reduced to zero, (b) inflation assumptions were lowered from 2.75% to 2.50%, (c) Investment return assumptions were lowered from 7.75% to 7.45%, (d) total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (e) payroll growth assumptions were lowered to 3.00%, (f) updated the health and disability mortality assumption to the "RP-2014" mortality tables with generational improvement scale MP-2016 and (g) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. A discount rate of 7.75% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 % was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75%) or one-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability	\$ 902,597	\$ 629,660	\$ 399,752

**NOTE 19 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 19 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$175,944, \$319,670, and \$285,313, respectively; 90.34% has been contributed for 2017 and 100% has been contributed for 2016 and 2017. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**B. State Teachers Retirement System**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The County did not make any contributions for health care for the fiscal years ended December 31, 2017, 2016 and 2015.



## COSHOCTON COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (SEE ACCOUNTANT'S COMPILATION REPORT)

#### **NOTE 20 - RELATED PARTY TRANSACTIONS**

Coshocton County Airport authority is a component unit of Coshocton County. During 2017, the County Airport Authority received an operating transfer from the County in the amount of \$23,500.

Additionally, the County pays salary and fringe benefits for Airport Authority employees, with the exception of the Airport Authority's Secretary – Treasurer. During 2017, the County paid Airport Authority employees' salaries and fringe benefits of \$130,869. The Airport Authority obtains federal grants that have matching requirements of 5% and 10%, depending on the grant. Matching requirements are made from non-federal revenue sources. The County pays the local matching requirement of the Airport Authority grants. During 2017, the County paid \$6,386 to Airport Authority vendors to make the local matching requirements.

#### **NOTE 21 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, the human services fund, the motor vehicle license and gasoline tax fund, the county board of DD fund and the emergency ambulance levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 21 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	<b>Net Change in Fund Balance</b>				
	<u>General fund</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>	<u>Emergency Ambulance Levy</u>
Budget basis	\$ 74,421	\$ (111,366)	\$ (118,737)	\$ (240,109)	\$ (537,639)
Net adjustment for revenue accruals	(75,767)	(110,936)	(2,592)	77,725	(60,813)
Net adjustment for expenditure accruals	(74,300)	(9,869)	88,895	67,615	6,163
Net adjustment for other sources/uses	(120,877)	(15,101)	(5,429)	(85,836)	-
Funds budgeted elsewhere	1,163,749	-	-	-	-
Adjustment for encumbrances	<u>662,654</u>	<u>124,299</u>	<u>262,190</u>	<u>122,341</u>	<u>83,690</u>
GAAP basis	<u>\$ 1,629,880</u>	<u>\$ (122,973)</u>	<u>\$ 224,327</u>	<u>\$ (58,264)</u>	<u>\$ (508,599)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the county recorder equipment fund and the certificate of title administration fund.

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**COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 22 - FUND BALANCE**

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

Fund balance	General	Human Services	Motor Vehicle and Gas Tax Fund	County Board of DD Fund	Emergency Ambulance Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Prepayments	\$ 65,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,784
Materials and supplies inventory	57,535	2,609	291,535	2,700	50,628	7,142	412,149
Unclaimed monies	<u>50,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,111</u>
Total nonspendable	<u>173,430</u>	<u>2,609</u>	<u>291,535</u>	<u>2,700</u>	<u>50,628</u>	<u>7,142</u>	<u>528,044</u>
<b>Restricted:</b>							
Capital projects	-	-	-	-	-	121,247	121,247
Debt service	-	-	-	-	-	34,650	34,650
Public works	-	-	1,691,206	-	-	329,932	2,021,138
Human services	-	-	-	-	-	371,980	371,980
Health	-	-	-	5,715,422	-	327,901	6,043,323
General government operations	-	-	-	-	-	1,038,121	1,038,121
Public safety programs	-	-	-	-	-	789,734	789,734
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,013</u>	<u>68,013</u>
Total restricted	<u>-</u>	<u>-</u>	<u>1,691,206</u>	<u>5,715,422</u>	<u>-</u>	<u>3,081,578</u>	<u>10,488,206</u>
<b>Committed:</b>							
Human services	-	-	-	-	-	224,461	224,461
Health	-	-	-	-	560,567	-	560,567
Public safety programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,268</u>	<u>255,268</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,567</u>	<u>479,729</u>	<u>1,040,296</u>
<b>Assigned:</b>							
Public works	28,884	-	-	-	-	-	28,884
Human services	21,011	-	-	-	-	-	21,011
General government operations	285,893	-	-	-	-	-	285,893
Public safety programs	93,494	-	-	-	-	-	93,494
Public health and welfare	28,577	-	-	-	-	-	28,577
Other purposes	4,812	-	-	-	-	-	4,812
Subsequent year appropriations	<u>2,655,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,655,731</u>
Total assigned	<u>3,118,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,118,402</u>
Unassigned (deficit)	<u>2,568,067</u>	<u>(162,615)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,017)</u>	<u>2,367,435</u>
Total fund balances	<u>\$ 5,859,899</u>	<u>\$ (160,006)</u>	<u>\$ 1,982,741</u>	<u>\$ 5,718,122</u>	<u>\$ 611,195</u>	<u>\$ 3,530,432</u>	<u>\$ 17,542,383</u>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 23 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year - End Encumbrances</u>
General	\$ 463,337
Human services	64,559
Motor vehicle and gas tax	203,812
County board of DD	122,341
Emergency ambulance levy	62,417
Other governmental	<u>486,495</u>
Total	<u>\$ 1,402,961</u>

**NOTE 24 - TAX ABATEMENTS**

As of December 31, 2017, the County provides tax abatements through an Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

The County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program. During 2017, the County's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>County Taxes Abated</u>
Ezone	\$ 62,458
Total	<u>\$ 62,458</u>

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 25 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT**

**A. Reporting Entity**

The Coshocton County Regional Airport Authority, Coshocton County, (the Airport) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a seven member Board, with a majority of the Board appointed by the Coshocton County Commissioners. The Board has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. Since the Airport imposes a financial burden on the County, the Airport is reflected as a component unit of Coshocton County. The Airport has a December 31 year end.

**B. Summary of Significant Accounting Policies**

The Airport reports its operations as a single enterprise fund. Enterprise accounting is used to report any activity for which a fee is charged to external users for goods or services.

1. *Measurement Focus and Basis of Accounting*

The Airport's fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Airport used the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred.

2. *Cash*

Cash received by the Airport is maintained in three separate checking accounts and a savings account. Separate checking accounts are used to track cash activity related to the Airport's general fund, FAA federal activity, and special events, respectively. The savings accounts also holds general fund cash. The Airport has no investments.

3. *Capital Assets*

Capital assets at the Airport are capitalized. All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their fair market values as of the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fund capital assets.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 25 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT  
(Continued)**

Depreciation is computed using the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 - 50 years
Furniture and Equipment	25 years
Vehicles	10 years
Infrastructure	5 - 40 years

4. *Estimates*

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

5. *Inventories*

Inventories are presented at cost on a first in, first out basis and are expensed when resold. Inventories held for resale primarily consist of fuel.

**C. Implementation of New Accounting Principles and Restatement of Net Position**

For the year ended December 31, 2017, the Airport has implemented Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Airport.

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Airport.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the Airport's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

**COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 25 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT**  
(Continued)

**D. Deposits and Investments**

At year end, the carrying amount of the Airport's deposits was \$108,409 and the bank balance was \$88,644. The entire balance was covered by Federal Deposit Insurance Corporation. The Airport has no investments. The Airport also had \$300 in cash on hand.

**E. Capital Assets**

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 189,296	\$ -	\$ -	\$ 189,296
Total capital assets, not being depreciated	<u>189,296</u>	<u>-</u>	<u>-</u>	<u>189,296</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	675,000	-	-	675,000
Infrastructure	4,930,844	-	-	4,930,844
Vehicles	14,394	-	-	14,394
Furniture and equipment	441,127	-	-	441,127
Total cost	<u>6,061,365</u>	<u>-</u>	<u>-</u>	<u>6,061,365</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(272,500)	(11,250)	-	(283,750)
Infrastructure	(2,064,055)	(197,233)	-	(2,261,288)
Vehicles	(14,394)	-	-	(14,394)
Furniture and equipment	(309,241)	(18,234)	-	(327,475)
Total accumulated depreciation	<u>(2,660,190)</u>	<u>(226,717)</u>	<u>-</u>	<u>(2,886,907)</u>
Total capital assets, being depreciated net	<u>3,401,175</u>	<u>(226,717)</u>	<u>-</u>	<u>3,174,458</u>
Total capital assets, net	<u>\$ 3,590,471</u>	<u>\$ (226,717)</u>	<u>\$ -</u>	<u>\$ 3,363,754</u>

**COSHOCTON COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.114872%	0.120146%	0.119920%	0.119920%
County's proportionate share of the net pension liability	\$ 25,393,424	\$ 20,254,366	\$ 14,069,900	\$ 13,752,108
County's covered payroll	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925	\$ 14,388,777
County's proportionate share of the net pension liability as a percentage of its covered payroll	163.53%	137.86%	94.10%	95.58%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.107132%	0.084810%	0.089523%	0.089523%
County's proportionate share of the net pension asset	\$ 58,044	\$ 40,167	\$ 33,530	\$ 9,138
County's covered payroll	\$ 402,633	\$ 314,325	\$ 327,242	\$ 331,946
County's proportionate share of the net pension asset as a percentage of its covered payroll	14.42%	12.78%	10.25%	2.75%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.069012%	0.061383%	n/a	n/a
County's proportionate share of the net pension asset	\$ 279	\$ 228	n/a	n/a
County's covered payroll	\$ 429,900	\$ 338,592	n/a	n/a
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.06%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

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

Amounts presented as of the County's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**COSHOCTON COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.00265062%	0.00274362%	0.00267909%	0.00289660%
County's proportionate share of the net pension liability	\$ 629,660	\$ 918,372	\$ 740,422	\$ 704,553
County's covered payroll	\$ 323,957	\$ 293,443	\$ 263,736	\$ 332,985
County's proportionate share of the net pension liability as a percentage of its covered payroll	194.37%	312.96%	280.74%	211.59%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%

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

Amounts presented as of the County's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COSHOCTON COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 2,066,950	\$ 1,863,345	\$ 1,763,033	\$ 1,794,231
Contributions in relation to the contractually required contribution	<u>(2,066,950)</u>	<u>(1,863,345)</u>	<u>(1,763,033)</u>	<u>(1,794,231)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 15,899,615	\$ 15,527,875	\$ 14,691,942	\$ 14,951,925
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 59,630	\$ 48,316	\$ 37,719	\$ 39,269
Contributions in relation to the contractually required contribution	<u>(59,630)</u>	<u>(48,316)</u>	<u>(37,719)</u>	<u>(39,269)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 458,692	\$ 402,633	\$ 314,325	\$ 327,242
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 36,728	\$ 42,990	\$ 40,631	
Contributions in relation to the contractually required contribution	<u>(36,728)</u>	<u>(42,990)</u>	<u>(40,631)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 367,280	\$ 429,900	\$ 406,310	
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,870,541	\$ 1,439,849	\$ 1,387,333	\$ 1,334,575	\$ 1,258,237	\$ 1,137,432
<u>(1,870,541)</u>	<u>(1,439,849)</u>	<u>(1,387,333)</u>	<u>(1,334,575)</u>	<u>(1,258,237)</u>	<u>(1,137,432)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,388,777	\$ 14,398,490	\$ 13,873,330	\$ 14,961,603	\$ 15,476,470	\$ 16,249,029
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 43,153	\$ 24,081	\$ 21,493	\$ 29,947	\$ -	\$ -
<u>(43,153)</u>	<u>(24,081)</u>	<u>(21,493)</u>	<u>(29,947)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 331,946	\$ 302,906	\$ 270,352	\$ 309,157	\$ -	\$ -
13.00%	7.95%	7.95%	9.69%	8.13%	7.00%

**COSHOCTON COUNTY**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN YEARS  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 46,860	\$ 45,354	\$ 41,082	\$ 36,923
Contributions in relation to the contractually required contribution	<u>(46,860)</u>	<u>(45,354)</u>	<u>(41,082)</u>	<u>(36,923)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 334,714	\$ 323,957	\$ 293,443	\$ 263,736
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 43,288	\$ 36,583	\$ 38,752	\$ 50,208	\$ 65,826	\$ 70,073
<u>(43,288)</u>	<u>(36,583)</u>	<u>(38,752)</u>	<u>(50,208)</u>	<u>(65,826)</u>	<u>(70,073)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 332,985	\$ 281,408	\$ 298,092	\$ 386,215	\$ 506,354	\$ 539,023
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**COSHOCTON COUNTY**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2017.

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

***STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, the Cost of Living Adjustment (COLA) was reduced to 0% effective July 1, 2017.

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