

ASHTABULA COUNTY, OHIO

Basic Financial Statements

**For the Year Ended
December 31, 2020**

Ashtabula County, Ohio

*Basic Financial Statements
For the Year Ended December 31, 2020*

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Accountant's Compilation Report

Board of Commissioners
Ashtabula County, Ohio

Management is responsible for the accompanying basic financial statements of Ashtabula County, which comprise the statements listed in the table of contents as of December 31, 2020 and for the fiscal 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 3 through 14 and the required supplementary information on pages 124 through 141 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 31, 2021

Ashtabula County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)

The discussion and analysis of Ashtabula County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the transmittal letter, the basic financial statements and notes to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$158,177,175. Governmental activities' unrestricted net position is a deficit of \$32,691,147, primarily due to the net pension liability and net OPEB liability recorded under GASB Statements Nos. 68 & 75, respectively. The County's total net position increased by \$7,310,079 from December 31, 2019's restated net position.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$62,235,583, an increase of \$9,412,118 from the prior year's restated balance. Of this amount, \$4,334,033 is available for spending (unassigned fund balance) on behalf of its citizens.
- At the end of the current year, fund balance for the general fund was \$13,525,001 which represents a 45.09 percent increase from the prior year's restated balance and represents 70.56 percent of total general fund expenditures.

Overview of the Financial Statements

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

The County-wide financial statements include the statement of net position and the statement of activities; which provide an aggregated, long-term view of the County's assets. Fund financial statements show, in a segregated manner, how services were financed in the short-term and the balances available for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

County-Wide Financial Statements

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the assets and deferred outflows of resources over liabilities and deferred inflows of resources being reported as net position. The statement of activities presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

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The change in net position is important because it tells the reader whether, for the County as a whole, the financial position has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets, will also need to be evaluated.

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

- ***Governmental Activities*** – Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and conservation and recreation. These services are funded primarily by taxes and intergovernmental revenues, including Federal and State grants and other shared revenues.
- ***Business-Type Activities*** – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's water district, sewer district and Geneva State Park Lodge are reported here.
- ***Component Units*** – The County's financial statements include financial data of the Northeast Ohio Regional Airport and the Ashtabula County Land Reutilization Corporation. These component units are described in the notes to the basic financial statements. Each component unit is a legally separate entity, but is in some way fiscally dependent on the County.

Fund Financial Statements

The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been designated or restricted for specific activities or objectives. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Based on the restriction on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, the fund financial statements focus on the County's most significant (major) funds, which are the general, motor vehicle and gas tax, public assistance, children services, county board of developmental disabilities, and nursing home.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the county-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services being provided, along with the financial resources available.

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

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The enterprise funds are used to report the same functions presented as business-type activities on the county-wide financial statements. The County uses enterprise funds to account for the sewer and water district and the Geneva State Park Lodge operations. Internal service funds are used to report activities that provide services to the County's other funds and departments; and are included in governmental activities on the government-wide financial statements.

Fiduciary Funds – The County has one types of fiduciary fund: custodial funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

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Ashtabula County, Ohio
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(See Accountant's Compilation Report)

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2020 compared to 2019. Amounts for 2019 have been restated due to the implementation of GASB Statement No. 84.

(Table 1)
Net Position

	Governmental Activities 2020	Business-type Activities 2020	Restated Governmental Activities 2019	Business-type Activities 2019	Total 2020	Restated Total 2019
Assets:						
Current and other assets	\$ 97,273,539	\$ 14,384,594	\$ 90,232,492	\$ 13,531,271	\$ 111,658,133	\$ 103,763,763
Capital assets, net	<u>151,422,652</u>	<u>37,177,587</u>	<u>151,675,637</u>	<u>37,249,725</u>	<u>188,600,239</u>	<u>188,925,362</u>
Total assets	<u>248,696,191</u>	<u>51,562,181</u>	<u>241,908,129</u>	<u>50,780,996</u>	<u>300,258,372</u>	<u>292,689,125</u>
Deferred outflows of resources						
Unamortized deferred charges	530,951	42,490	203,303	53,338	573,441	256,641
Pension	6,868,831	242,215	18,847,874	644,957	7,111,046	19,492,831
OPEB	<u>4,681,871</u>	<u>166,182</u>	<u>2,538,565</u>	<u>119,410</u>	<u>4,848,053</u>	<u>2,657,975</u>
Total deferred outflows of resources	<u>12,081,653</u>	<u>450,887</u>	<u>21,589,742</u>	<u>817,705</u>	<u>12,532,540</u>	<u>22,407,447</u>
Liabilities:						
Other liabilities	6,141,666	653,253	6,998,478	531,781	6,794,919	7,530,259
Long-term liabilities:						
Due within one year	2,832,282	1,641,888	2,589,822	1,546,505	4,474,170	4,136,327
Net pension liability	42,214,178	1,326,679	62,874,052	1,946,954	43,540,857	64,821,006
Net OPEB liability	29,244,940	919,090	29,685,634	919,831	30,164,030	30,605,465
Other amounts	<u>20,204,218</u>	<u>14,137,502</u>	<u>21,414,379</u>	<u>15,758,145</u>	<u>34,341,720</u>	<u>37,172,524</u>
Total liabilities	<u>100,637,284</u>	<u>18,678,412</u>	<u>123,562,365</u>	<u>20,703,216</u>	<u>119,315,696</u>	<u>144,265,581</u>
Deferred inflows of resources						
Property taxes	16,681,480	-	16,700,588	-	16,681,480	16,700,588
Pension	12,547,057	342,403	2,829,936	29,637	12,889,460	2,859,573
OPEB	<u>5,564,673</u>	<u>162,428</u>	<u>401,238</u>	<u>2,496</u>	<u>5,727,101</u>	<u>403,734</u>
Total deferred inflows of resources	<u>34,793,210</u>	<u>504,831</u>	<u>19,931,762</u>	<u>32,133</u>	<u>35,298,041</u>	<u>19,963,895</u>
Net position:						
Net investment in capital assets	132,021,500	21,520,777	131,876,101	20,061,906	153,542,277	151,938,007
Restricted	26,016,997	1,207,313	22,323,568	774,431	27,224,310	23,097,999
Unrestricted (deficit)	<u>(32,691,147)</u>	<u>10,101,735</u>	<u>(34,195,925)</u>	<u>10,027,015</u>	<u>(22,589,412)</u>	<u>(24,168,910)</u>
Total net position	<u>\$ 125,347,350</u>	<u>\$ 32,829,825</u>	<u>\$ 120,003,744</u>	<u>\$ 30,863,352</u>	<u>\$ 158,177,175</u>	<u>\$ 150,867,096</u>

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The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension/OPEB asset.

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

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

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

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

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

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

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

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$158,177,175 (\$125,347,350 in governmental activities and \$32,829,825 in business-type activities) as of December 31, 2020. This is an increase from the previous year of \$7,310,079 indicating an increase of the County's financial position in 2020. The increase in net position is due to a decrease in the net pension and net OPEB liabilities.

By far, the largest portion of the County's net position represents capital assets (e.g. land, construction in progress, buildings, improvements other than buildings, equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A balance of \$27,224,310 represents resources that are subject to restrictions on how they can be used. The remaining balance of net position is an unrestricted deficit of \$22,589,412.

Table 2 shows the changes in net position for 2020 and 2019 for both the governmental activities and the business-type activities. Due to practicality, 2019 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB Statement No. 84. Rather, the cumulative impact of applying GASB Statement No. 84 is reflected in the beginning net position of 2019.

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Ashtabula County, Ohio
Management's Discussion and Analysis
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(See Accountant's Compilation Report)

(Table 2)
Changes in Net Position

	Governmental Activities 2020	Business-type Activities 2020	Governmental Activities 2019	Business-type Activities 2019	Total 2020	Total 2019
Revenues:						
Program revenues:						
Charges for services and sales	\$ 13,860,953	\$ 7,569,613	\$ 14,033,700	\$ 8,017,313	\$ 21,430,566	\$ 22,051,013
Operating grants and contributions	46,548,035	397,761	46,289,863	571,895	46,945,796	46,861,758
Capital grants and contributions	451,489	586,486	1,796,504	347,891	1,037,975	2,144,395
Total program revenues	<u>60,860,477</u>	<u>8,553,860</u>	<u>62,120,067</u>	<u>8,937,099</u>	<u>69,414,337</u>	<u>71,057,166</u>
General revenues:						
Property taxes	16,942,643	-	16,737,758	-	16,942,643	16,737,758
Sales taxes	12,190,522	-	11,110,293	-	12,190,522	11,110,293
Grants and entitlements	3,777,682	-	3,994,281	-	3,777,682	3,994,281
Investment earnings	722,495	24,366	1,561,777	74,605	746,861	1,636,382
Other taxes	1,285,819	50,000	1,172,749	50,000	1,335,819	1,222,749
Miscellaneous	3,438,688	241,578	3,225,085	466,720	3,680,266	3,691,805
Total general revenues	<u>38,357,849</u>	<u>315,944</u>	<u>37,801,943</u>	<u>591,325</u>	<u>38,673,793</u>	<u>38,393,268</u>
Total revenues	<u>99,218,326</u>	<u>8,869,804</u>	<u>99,922,010</u>	<u>9,528,424</u>	<u>108,088,130</u>	<u>109,450,434</u>
Expenses:						
Program expenses:						
Legislative and executive	12,961,087	-	14,265,078	-	12,961,087	14,265,078
Judicial	7,574,044	-	8,221,810	-	7,574,044	8,221,810
Public safety	13,958,577	-	15,054,558	-	13,958,577	15,054,558
Public works	8,799,514	-	10,185,815	-	8,799,514	10,185,815
Health	13,547,856	-	15,986,418	-	13,547,856	15,986,418
Human services	34,305,670	-	40,077,829	-	34,305,670	40,077,829
Conservation and recreation	224,599	-	267,029	-	224,599	267,029
Interest and fiscal charges	639,366	-	689,796	-	639,366	689,796
Business-type activities:						
Sewer	-	3,035,453	-	3,276,181	3,035,453	3,276,181
Water	-	4,575,451	-	4,101,008	4,575,451	4,101,008
Geneva State Park Lodge	-	1,156,434	-	1,071,733	1,156,434	1,071,733
Total expenses	<u>92,010,713</u>	<u>8,767,338</u>	<u>104,748,333</u>	<u>8,448,922</u>	<u>100,778,051</u>	<u>113,197,255</u>
Change in net position before transfers & contributions	7,207,613	102,466	(4,826,323)	1,079,502	7,310,079	(3,746,821)
Transfers & contributions	<u>(1,864,007)</u>	<u>1,864,007</u>	<u>(499,706)</u>	<u>499,706</u>	<u>-</u>	<u>-</u>
Change in net position	5,343,606	1,966,473	(5,326,029)	1,579,208	7,310,079	(3,746,821)
Net position at beginning of year (restated)	<u>120,003,744</u>	<u>30,863,352</u>	<u>125,329,773</u>	<u>29,284,144</u>	<u>150,867,096</u>	<u>154,613,917</u>
Net position at end of year	<u>\$ 125,347,350</u>	<u>\$ 32,829,825</u>	<u>\$ 120,003,744</u>	<u>\$ 30,863,352</u>	<u>\$ 158,177,175</u>	<u>\$ 150,867,096</u>

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Governmental Activities

Operating grants were the largest program revenue, accounting for \$46,548,035 or 46.92 percent of total governmental revenues. The major recipients of intergovernmental program revenues were Public Assistance, Children's Services Board and County Board of Developmental Disabilities, Ashtabula County Nursing and Rehabilitation Center and County Mental Health and Recovery Services Board.

The County's direct charges to users of governmental services made up \$13,860,953 or 13.97 percent of total governmental revenues. The predominant charges are fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, licenses and permits, and health care charges through the County Nursing and Rehabilitation Center.

Property and sales tax revenues account for \$29,133,165 of the \$99,218,326 total revenues for governmental activities, or 29.37 percent of total revenues.

The human services program accounted for \$34,305,670 of the \$92,010,713 total expenses for governmental activities, or 37.29 percent of total governmental expenses. The next largest program was public safety, accounting for \$13,958,577 and representing 15.17 percent of total governmental expenses.

Charges for services and sales of \$13,860,953 (13.97 percent of total revenues) are received and used to fund the governmental activities of the County. The remaining governmental activity expenses are funded by property taxes, sales taxes, and intergovernmental revenues. A material portion (66.14 percent) of all governmental activity expenses are funded by charges for services and operating and capital grants.

Business-Type Activities

Major revenue sources of business-type activities were charges for services of \$7,569,613, accounting for 85.35 percent of the total business-type revenues. The sewer district net position decreased \$24,896 and water district net position increased \$558,419. The sewer district is comprised of several small wastewater processing plants, which tend to be underutilized. The water district is a distribution only system acquired by the County in 2005. Capital improvements are being made on a continual basis and management reviews and regularly raises rates as the market will bear in an attempt to keep all costs covered. The net position of the Geneva State Park Lodge fund increased \$1,424,392. The lodge was built by the County, opening in 2004. The operation has been continually improving, showing an operating profit each of the last nine years. It has finally matured sufficiently to offset the depreciation and interest expenses.

Financial Analysis of County Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

As of December 31, 2020, the County's governmental funds reported a combined ending fund balance of \$62,235,583, an increase of 17.82 percent from the prior year's restated balance. Approximately 6.97 percent of this total (\$4,334,033) constitutes unassigned fund balance, which is available to be spent in future periods. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year or a variety of other restricted purposes.

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The general fund is the primary operating fund of the County. At the end of 2020, unassigned fund balance was \$4,360,299, while total fund balance was \$13,525,001. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.75 percent of total general fund expenditures, while total fund balance represents 70.56 percent of that same amount. The fund balance of the County's general fund increased \$4,202,679 during 2020.

The motor vehicle and gas tax fund had a restricted fund balance of \$3,219,828 and a total fund balance of \$3,413,369 at the end of 2020. The fund balance decreased by \$32,361 during 2020.

The public assistance fund had a restricted and total fund balance of \$684,269 at the end of 2020. The fund balance increased by \$38,636 during 2020.

The children services board fund had a restricted and total fund balance of \$5,299,910 at the end of 2020. The fund balance increased by \$2,052,110 during 2020.

The county board of developmental disabilities fund had a restricted and total fund balance of \$12,954,539 at December 31, 2020. The fund balance increased by \$3,171,687 during 2020, or by 32.42 percent.

At the end of 2020, the nursing home fund had a restricted fund balance of \$2,269,481 and a total fund balance of \$2,318,210. During 2020 the fund balance increased by \$596,484.

Enterprise Funds – The County's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the sewer district and water district funds at December 31, 2020 was \$2,608,466 and \$3,975,549, respectively. The Geneva State Lodge had unrestricted net position of \$3,653,876. Net position increased by \$1,957,915 in the enterprise funds.

General Fund Budgetary Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially the budget is the County's appropriations which are limited to spendable resources (cash carryover and current year revenues) certified by the County Budget Commission in accordance with Ohio law. In 2020, the budget commission processed multiple adjustments to the original estimated revenues. For the general fund, final budgeted revenues and other financing sources were \$30,022,431 and actual revenue and other financing sources collections were \$30,208,905. The major factors contributing to the increase of actual revenues over the final budgeted amounts were increased revenues from sales taxes and other miscellaneous revenue. During the year, the Commissioners amended general fund appropriations multiple times, for a net total increase of \$3,754,196. At year end, \$28,134,397 was appropriated and actual expenditures and other financing uses were \$26,464,771.

Ashtabula County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)

Capital Assets and Debt Administration

Capital Assets – The County's investment in capital assets as of December 31, 2020 was \$188,600,236 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, infrastructure, and sewer/water lines.

Infrastructure assets consisting of County roads and bridges are presented using the modified approach and are, therefore, not depreciated. Costs incurred by the County to preserve existing roads and bridges are expensed rather than capitalized. Only those costs that represent additions or improvements are capitalized.

(Table 3)
Capital Assets at December 31 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Land	\$ 927,673	\$ 927,673	\$ 218,083	\$ 218,083	\$ 1,145,756	\$ 1,145,756
Construction in progress	351,975	3,647,950	154,780	77,110	506,755	3,725,060
Buildings	24,026,684	21,051,765	11,701,669	10,742,143	35,728,353	31,793,908
Improvements other than buildings	834,087	853,751	-	-	834,087	853,751
Equipment	4,083,320	4,249,463	1,657,407	1,870,564	5,740,727	6,120,027
Intangible assets	194,305	156,495	-	-	194,305	156,495
Vehicles	3,284,806	3,262,877	383,236	372,220	3,668,042	3,635,097
Infrastructure	117,719,802	117,525,663	-	-	117,719,802	117,525,663
Water and sewer system	-	-	23,062,412	23,969,605	23,062,412	23,969,605
Total	\$ 151,422,652	\$ 151,675,637	\$ 37,177,587	\$ 37,249,725	\$ 188,600,239	\$ 188,925,362

See Note 13 for additional information of capital assets.

The County manages its roadway conditions using an internal pavement management program. This program assigns a range of Pavement Condition Rating (PCR) number to each section of roadway based on physical inspection data collected. The PCR is comprised of various ratings of the individual elements of the structure and an overall ranking of between zero and one hundred is assigned. It is the policy of the County Engineer that County roads are maintained at an average PCR of 60 to 65, and that a condition assessment for County roads is performed annually. The most recent assessment found that the average PCR of all County roads was 70. For 2020, the County Engineer's budgeted and actual expenditures for the preservation of existing roadways were \$6,344,877 and \$5,613,945, respectively.

The County manages its bridges using a General Appraisal Rating, which was developed by the Federal Highway Administration. The system uses a numerical ranking of zero to nine, with nine being good, to evaluate all County bridges. It is the policy of the County Engineer that County bridges be maintained at an average condition ranking of 6 or better. In accordance with statutory requirements, each bridge is inspected annually. The most recent assessment found that the average condition ranking of all County bridges was 7.64. For 2020, the County Engineer's budgeted and actual expenditures for the preservation of existing bridges were \$1,233,413 and \$1,091,031, respectively.

Information concerning the condition assessments of the County's infrastructure reported using the modified approach is provided as required supplementary information to this report.

Ashtabula County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)

Long-Term Debt – At December 31, 2020, the County has outstanding debt which included general obligations bonds payable of \$14,753,974, OPWC loans payable of \$1,211,000, a Cook Road Improvement (TIF) of \$40,922, revenue bonds payable of \$5,652,191, notes and equipment loans payable of \$714,561, an energy conservation lease purchase agreement of \$4,590,606 and OWDA loans payable of \$8,816,375.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 14,753,974	\$ 15,342,199	\$ -	\$ -	\$ 14,753,974	\$ 15,342,199
Dump Truck Loan	57,352	114,703	-	-	57,352	114,703
Mack Trucks Loan	180,000	240,000	-	-	180,000	240,000
Lease Purchase Agreement	4,590,606	4,870,352	-	-	4,590,606	4,870,352
Equipment Loan	-	-	168,269	252,403	168,269	252,403
OPWC Loans	148,535	148,535	1,062,465	1,178,201	1,211,000	1,326,736
Notes Payable	160,714	214,286	-	-	160,714	214,286
Cook Road Improvement (TIF)	40,922	46,412	-	-	40,922	46,412
Revenue Bonds	-	-	5,652,191	6,443,772	5,652,191	6,443,772
OWDA Loans	-	-	8,816,375	9,366,781	8,816,375	9,366,781
503 Corp Loan Payable	148,226	177,304	-	-	148,226	177,304
Totals	<u>\$ 20,080,329</u>	<u>\$ 21,153,791</u>	<u>\$ 15,699,300</u>	<u>\$ 17,241,157</u>	<u>\$ 35,779,629</u>	<u>\$ 38,394,948</u>

In addition to the long-term debt, the County's long-term obligations include compensated absences, workers comp claims, net pension liability and net OPEB liability. Additional information on the County's long-term debt can be found in Notes 17 and 18 of this report.

Economic Factors

The real property revenues of the general fund are derived entirely from inside millage (unvoted millage). In 2020, the County received 2.51 mills of inside millage. 1.967 mills were allocated to the general fund and 0.543 mills was allocated to the debt service fund. The revenue structure of the general fund is balanced so that the operations of the County are not overly dependent on any specific revenue source. This diversified revenue stream has provided an equitable means of generating revenue necessary for the operations of the offices administered by elected officials.

The average unemployment rate for the County during 2020 was 8.3 percent, an increase from 4.8 percent a year ago. The State average was 8.1 percent and the Federal rate was 8.1 percent. In 2020, although unemployment increased, the County had higher sales tax receipts.

The County's portion of State based revenue has also been affected by the economic conditions. Specifically, the State legislature has eliminated the local government revenue assistance fund and frozen the amount allocated to local governments from the local government fund.

The challenges brought about by the COVID-19 pandemic will be an important factor in the County's financial situation for the remainder of 2021.

Ashtabula County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Thomas, Ashtabula County Auditor, 25 West Jefferson Street, Jefferson, Ohio 44047 or by email at auditor@ashtabulacountyauditor.org.

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Ashtabula County, Ohio

Statement of Net Position

December 31, 2020

(See Accountant's Compilation Report)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 58,935,564	\$ 10,774,164	\$ 69,709,728
Cash with fiscal agents	2,213,587	595,000	2,808,587
Cash in segregated accounts	2,394,008	-	2,394,008
Restricted cash and cash equivalents	-	777,313	777,313
Receivables:			
Sales taxes	3,143,062	-	3,143,062
Property taxes	17,642,436	-	17,642,436
Accounts	817,907	585,962	1,403,869
Special assessments	581,125	719,883	1,301,008
Accrued interest	23,295	-	23,295
Due from other governments	9,037,544	430,000	9,467,544
Loans receivable	1,220,804	-	1,220,804
Rent receivable	-	29,710	29,710
Materials and supplies inventory	242,270	-	242,270
Prepayments	315,542	-	315,542
Net pension asset	570,239	17,921	588,160
Contract receivable	-	590,797	590,797
Internal balance	136,156	(136,156)	-
Capital assets:			
Nondepreciable capital assets	118,999,450	372,863	119,372,313
Depreciable capital assets, net	32,423,202	36,804,724	69,227,926
Total capital assets, net	151,422,652	37,177,587	188,600,239
Total assets	248,696,191	51,562,181	300,258,372
Deferred outflows of resources:			
Deferred charges on debt refunding	530,951	42,490	573,441
Pension	6,868,831	242,215	7,111,046
OPEB	4,681,871	166,182	4,848,053
Total deferred outflows of resources	12,081,653	450,887	12,532,540

Component Units			
Northeast Ohio Regional Airport		Ashtabula County Land Reutilization Corporation	
\$	222,184	\$	889,428
	-		-
	180		-
	-		-
	-		-
	-		-
	2,000		-
	-		-
	-		-
	-		-
	-		-
	47,978		-
	45,308		-
	20,097		157
	-		-
	-		-
	-		-
	693,478		-
	13,888,522		-
	<u>14,582,000</u>		<u>-</u>
	<u>14,919,747</u>		<u>889,585</u>
	-		-
	65,719		-
	40,475		-
	<u>106,194</u>		<u>-</u>
<i>- - Continued</i>			

Ashtabula County, Ohio

Statement of Net Position (Continued)

December 31, 2020

(See Accountant's Compilation Report)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 2,499,740	\$ 327,598	\$ 2,827,338
Contracts payable	-	155,153	155,153
Accrued wages and benefits	1,089,010	36,256	1,125,266
Due to other governments	550,787	93,509	644,296
Payroll withholding payable	619,148	20,366	639,514
Accrued interest payable	35,930	20,371	56,301
Loans payable	148,226	-	148,226
Claims payable	1,193,825	-	1,193,825
Unearned revenue	5,000	-	5,000
Long-term liabilities:			
Due within one year	2,832,282	1,641,888	4,474,170
Due in more than one year:			
Net pension liability	42,214,178	1,326,679	43,540,857
Net OPEB liability	29,244,940	919,090	30,164,030
Other amounts due in more than one year	20,204,218	14,137,502	34,341,720
Total liabilities	<u>100,637,284</u>	<u>18,678,412</u>	<u>119,315,696</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	16,681,480	-	16,681,480
Pension	12,547,057	342,403	12,889,460
OPEB	5,564,673	162,428	5,727,101
Land rent	-	-	-
Total deferred inflows of resources	<u>34,793,210</u>	<u>504,831</u>	<u>35,298,041</u>
Net position:			
Net investment in capital assets	132,021,500	21,520,777	153,542,277
Restricted for:			
Debt service	-	-	-
Capital projects	3,299,332	1,207,313	4,506,645
Public assistance/human services	11,343,538	-	11,343,538
Health programs	1,352,700	-	1,352,700
Judicial/public safety programs	2,539,453	-	2,539,453
Economic development	4,801,762	-	4,801,762
Children's services	1,074,664	-	1,074,664
General government operations	972,628	-	972,628
Lodge operations	168,723	-	168,723
Other purposes	464,197	-	464,197
Unrestricted (deficit)	(32,691,147)	10,101,735	(22,589,412)
Total net position	<u>\$ 125,347,350</u>	<u>\$ 32,829,825</u>	<u>\$ 158,177,175</u>

See Accompanying Notes to the Basic Financial Statements

Component Units	
Northeast Ohio Regional Airport	Ashtabula County Land Reutilization Corporation
\$ 14,212	\$ -
-	-
3,700	-
1,176	-
-	-
59,072	-
-	-
-	-
4,379	-
81,000	-
194,297	-
126,385	-
867,078	-
<u>1,351,299</u>	<u>-</u>
-	-
64,560	-
33,223	-
31,986	-
<u>129,769</u>	<u>-</u>
13,633,922	-
2,944	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(91,993)	889,585
<u>\$ 13,544,873</u>	<u>\$ 889,585</u>

Ashtabula County, Ohio

*Statement of Activities
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government				
Legislative and executive	\$ 12,961,087	\$ 4,410,849	\$ 2,346,784	\$ -
Judicial	7,574,044	1,534,591	1,584,647	-
Public safety	13,958,577	2,095,868	4,764,242	-
Public works	8,799,514	764,654	7,431,377	451,489
Health	13,547,856	763,009	5,902,202	-
Human services	34,305,670	4,291,982	24,518,783	-
Conservation and recreation	224,599	-	-	-
Interest and fiscal charges	451,838	-	-	-
Bond issuance costs	187,528	-	-	-
Total governmental activities	<u>92,010,713</u>	<u>13,860,953</u>	<u>46,548,035</u>	<u>451,489</u>
Business-type activities:				
Sewer district	3,035,453	2,950,697	-	-
Water district	4,575,451	4,498,570	-	586,486
Geneva State Park Lodge	1,156,434	120,346	397,761	-
Total business-type activities	<u>8,767,338</u>	<u>7,569,613</u>	<u>397,761</u>	<u>586,486</u>
Total primary government	<u><u>\$ 100,778,051</u></u>	<u><u>\$ 21,430,566</u></u>	<u><u>\$ 46,945,796</u></u>	<u><u>\$ 1,037,975</u></u>
Component units:				
Northeast Ohio Regional Airport	1,231,466	231,518	536,655	22,500
Ashtabula County Land Reutilization Corp.	225,133	221,154	124,667	-
Total component units	<u><u>\$ 1,456,599</u></u>	<u><u>\$ 452,672</u></u>	<u><u>\$ 661,322</u></u>	<u><u>\$ 22,500</u></u>

General revenues:

Property taxes levied for:
 General purposes
 Job & Family services
 Children's services
 Board of DD
 Mental Health Board
 Debt services
Sales taxes levied for:
 General purposes
Conveyance tax
Lodging tax
Payment in lieu of taxes
Grants and entitlements not restricted
 to specific programs
Net change in operation of lodge
Investment earnings
Miscellaneous
Total general revenues

Lodge contribution
Transfers

Change in net position

Net position at beginning of year (restated)

Net position at end of year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Northeast Ohio Regional Airport	Ashtabula County Land Reutilization	
\$ (6,203,454)	\$ -	\$ (6,203,454)	\$ -	\$ -	
(4,454,806)	-	(4,454,806)	-	-	
(7,098,467)	-	(7,098,467)	-	-	
(151,994)	-	(151,994)	-	-	
(6,882,645)	-	(6,882,645)	-	-	
(5,494,905)	-	(5,494,905)	-	-	
(224,599)	-	(224,599)	-	-	
(451,838)	-	(451,838)	-	-	
(187,528)	-	(187,528)	-	-	
(31,150,236)	-	(31,150,236)	-	-	
-	(84,756)	(84,756)	-	-	
-	509,605	509,605	-	-	
-	(638,327)	(638,327)	-	-	
-	(213,478)	(213,478)	-	-	
(31,150,236)	(213,478)	(31,363,714)	-	-	
-	-	-	(440,793)	-	
-	-	-	-	120,688	
-	-	-	(440,793)	120,688	
3,212,616	-	3,212,616	-	-	
1,735,967	-	1,735,967	-	-	
3,658,371	-	3,658,371	-	-	
6,423,686	-	6,423,686	-	-	
1,025,636	-	1,025,636	-	-	
886,367	-	886,367	-	-	
12,190,522	-	12,190,522	-	-	
973,372	-	973,372	-	-	
312,447	50,000	362,447	-	-	
127,398	-	127,398	-	-	
3,777,682	-	3,777,682	-	-	
-	123,224	123,224	-	-	
722,495	24,366	746,861	222	4,756	
3,311,290	118,354	3,429,644	60,701	44,987	
38,357,849	315,944	38,673,793	60,923	49,743	
(309,721)	309,721	-	-	-	
(1,554,286)	1,554,286	-	-	-	
5,343,606	1,966,473	7,310,079	(379,870)	170,431	
120,003,744	30,863,352	150,867,096	13,924,743	719,154	
\$ 125,347,350	\$ 32,829,825	\$ 158,177,175	\$ 13,544,873	\$ 889,585	

Ashtabula County, Ohio

*Balance Sheet
Governmental Funds
December 31, 2020*

(See Accountant's Compilation Report)

	General	Motor Vehicle and Gas Tax	Public Assistance	Children Services	County Board of DD
Assets:					
Equity in pooled cash and cash equivalents	\$ 12,722,780	\$ 2,692,231	\$ 1,733,991	\$ 5,657,231	\$ 10,851,578
Cash with fiscal agents	-	-	-	-	2,069,864
Cash in segregated accounts	112,895	-	-	94,701	67,965
Receivables:					
Sales taxes	3,143,062	-	-	-	-
Property taxes	3,377,431	-	1,853,242	3,707,741	6,749,802
Accounts	81,937	240,732	-	-	251
Special assessments	-	-	-	-	-
Interfund loans	137,965	-	-	-	-
Accrued interest	23,295	-	-	-	-
Due from other governments	1,333,223	3,175,588	35,000	902,511	566,274
Loans receivable	-	-	-	-	-
Materials and supplies inventory	-	193,541	-	-	-
Prepayments	134,750	-	-	-	-
Total assets	<u>\$ 21,067,338</u>	<u>\$ 6,302,092</u>	<u>\$ 3,622,233</u>	<u>\$ 10,362,184</u>	<u>\$ 20,305,734</u>
Liabilities:					
Accounts payable	\$ 307,258	\$ 50,573	\$ 675,744	\$ 361,189	\$ 61,338
Accrued wages and benefits	394,436	99,284	112,604	74,058	57,537
Matured compensated absences payable	5,201	7,320	-	-	-
Due to other governments	131,094	15,614	195,061	12,407	12,834
Interfund loans payable	12,531	-	-	-	-
Payroll withholding payable	230,427	51,083	66,313	40,953	31,794
Unearned revenue	-	-	-	-	-
Total liabilities	<u>1,080,947</u>	<u>223,874</u>	<u>1,049,722</u>	<u>488,607</u>	<u>163,503</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	3,190,000	-	1,760,591	3,500,000	6,409,000
Delinquent property tax revenue not available	187,431	-	92,651	207,741	340,802
Accrued interest not available	22,311	-	-	-	-
Special assessments revenue not available	-	-	-	-	-
Miscellaneous revenue not available	1,170	-	-	-	-
Sales tax revenue not available	2,170,535	-	-	-	-
Intergovernmental revenue not available	889,943	2,664,849	35,000	865,926	437,890
Total deferred inflows of resources	<u>6,461,390</u>	<u>2,664,849</u>	<u>1,888,242</u>	<u>4,573,667</u>	<u>7,187,692</u>
Fund balances:					
Nonspendable	744,880	193,541	-	-	-
Restricted	-	3,219,828	684,269	5,299,910	12,954,539
Committed	6,411,412	-	-	-	-
Assigned	2,008,410	-	-	-	-
Unassigned (deficit)	4,360,299	-	-	-	-
Total fund balances	<u>13,525,001</u>	<u>3,413,369</u>	<u>684,269</u>	<u>5,299,910</u>	<u>12,954,539</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,067,338</u>	<u>\$ 6,302,092</u>	<u>\$ 3,622,233</u>	<u>\$ 10,362,184</u>	<u>\$ 20,305,734</u>

See Accompanying Notes to the Basic Financial Statements

Nursing Home	Other Governmental Funds	Total Governmental Funds
\$ 2,179,179	\$ 21,295,704	\$ 57,132,694
-	143,723	2,213,587
-	2,118,447	2,394,008
-	-	3,143,062
-	1,954,220	17,642,436
314,797	180,190	817,907
-	581,125	581,125
-	12,531	150,496
-	-	23,295
661,160	2,363,788	9,037,544
-	1,220,804	1,220,804
48,729	-	242,270
-	-	134,750
<u>\$ 3,203,865</u>	<u>\$ 29,870,532</u>	<u>\$ 94,733,978</u>
\$ 301,213	\$ 742,425	\$ 2,499,740
189,465	161,626	1,089,010
6,905	-	19,426
29,272	154,505	550,787
-	137,965	150,496
88,506	110,072	619,148
-	5,000	5,000
<u>615,361</u>	<u>1,311,593</u>	<u>4,933,607</u>
-	1,821,889	16,681,480
-	107,331	935,956
-	-	22,311
-	581,125	581,125
90,074	111,852	203,096
-	-	2,170,535
180,220	1,896,457	6,970,285
<u>270,294</u>	<u>4,518,654</u>	<u>27,564,788</u>
48,729	1,220,804	2,207,954
2,269,481	21,976,733	46,404,760
-	869,014	7,280,426
-	-	2,008,410
-	(26,266)	4,334,033
<u>2,318,210</u>	<u>24,040,285</u>	<u>62,235,583</u>
<u>\$ 3,203,865</u>	<u>\$ 29,870,532</u>	<u>\$ 94,733,978</u>

Ashtabula County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020
(See Accountant's Compilation Report)*

Total governmental fund balances		\$ 62,235,583
<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.		151,422,652
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 2,170,535	
Real and other taxes receivable	935,956	
Accounts receivable	203,096	
Intergovernmental receivable	6,970,285	
Special assessments receivable	581,125	
Accrued interest receivable	22,311	
Total		10,883,308
Internal service funds are 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.		836,981
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in the governmental funds, interest is accrued when due.		(35,930)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		530,951
Unamortized premiums on bond issuances are not recognized in the governmental funds.		(53,974)
Prepaid bond insurance is not recorded as an asset in the funds, however, on the statement of net position it is reported as an asset and amortized over the life of the bonds.		31,107
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	570,239	
Deferred outflows of resources	6,868,831	
Deferred inflows of resources	(12,547,057)	
Net pension liability	(42,214,178)	
Total		(47,322,165)
The net OPEB asset and net OPEB 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		
Deferred outflows of resources	4,681,871	
Deferred inflows of resources	(5,564,673)	
Net OPEB liability	(29,244,940)	
Total		(30,127,742)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	3,027,066	
Lease purchase agreement	4,590,606	
OPWC loans payable	148,535	
General obligation bonds payable	14,700,000	
Loans payable	426,500	
Notes payable	160,714	
Total		(23,053,421)
Net position of governmental activities		<u>\$ 125,347,350</u>

See Accompanying Notes to the Basic Financial Statements

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Ashtabula County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	General	Motor Vehicle and Gas Tax	Public Assistance	Children Services	County Board of DD
Revenues:					
Sales taxes	\$ 12,015,280	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	3,258,282	-	1,759,039	3,710,244	6,530,466
Charges for services	3,659,430	679,225	861	350	-
Licenses and permits	138,695	-	-	-	-
Fines and forfeitures	376,702	37,738	-	-	-
Intergovernmental	3,435,828	7,435,891	9,819,297	5,929,383	4,917,312
Special assessments	-	-	-	-	-
Interest	803,790	20,043	-	6	1,754
Contributions and donations	27,600	-	-	23,914	195
Conveyance taxes	649,386	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-
Decrease in fair value of investments	-	-	-	(14,244)	-
Other	1,392,808	47,691	109,422	189,756	670,626
Total revenues	<u>25,757,801</u>	<u>8,220,588</u>	<u>11,688,619</u>	<u>9,839,409</u>	<u>12,120,353</u>
Expenditures:					
Current:					
General government:					
Legislative and executive	7,157,040	-	-	-	-
Judicial	5,628,661	-	-	-	-
Public safety	5,145,244	-	-	-	-
Public works	106,173	8,004,922	-	-	-
Health	119,981	-	-	-	8,948,666
Human services	800,630	-	12,491,815	7,787,299	-
Conservation and recreation	210,880	-	-	-	-
Capital outlay	-	120,000	-	-	-
Debt service:					
Principal retirement	-	117,351	-	-	-
Interest and fiscal charges	-	10,676	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>19,168,609</u>	<u>8,252,949</u>	<u>12,491,815</u>	<u>7,787,299</u>	<u>8,948,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,589,192</u>	<u>(32,361)</u>	<u>(803,196)</u>	<u>2,052,110</u>	<u>3,171,687</u>
Other financing sources (uses):					
Refunding bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers in	-	-	1,158,689	-	-
Transfers (out)	(2,386,513)	-	(316,857)	-	-
Contributions to lodge	-	-	-	-	-
Total other financing sources (uses)	<u>(2,386,513)</u>	<u>-</u>	<u>841,832</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,202,679	(32,361)	38,636	2,052,110	3,171,687
Fund balances at beginning of year (restated)	<u>9,322,322</u>	<u>3,445,730</u>	<u>645,633</u>	<u>3,247,800</u>	<u>9,782,852</u>
Fund balances at end of year	<u>\$ 13,525,001</u>	<u>\$ 3,413,369</u>	<u>\$ 684,269</u>	<u>\$ 5,299,910</u>	<u>\$ 12,954,539</u>

See Accompanying Notes to the Basic Financial Statements

Nursing Home	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,015,280
-	2,250,901	17,508,932
2,999,044	3,784,018	11,122,928
-	127,778	266,473
-	287,344	701,784
7,505,571	13,648,407	52,691,689
-	426,506	426,506
506	99,863	925,962
-	149,887	201,596
-	323,986	973,372
-	127,398	127,398
-	(877)	(15,121)
369,542	1,764,691	4,544,536
10,874,663	22,989,902	101,491,335
-	4,982,942	12,139,982
-	1,568,871	7,197,532
-	7,781,937	12,927,181
-	572,371	8,683,466
-	4,202,600	13,271,247
10,112,465	1,987,774	33,179,983
-	13,719	224,599
-	1,664,863	1,784,863
-	1,482,886	1,600,237
-	494,264	504,940
-	219,229	219,229
10,112,465	24,971,456	91,733,259
762,198	(1,981,554)	9,758,076
-	13,810,000	13,810,000
-	(13,589,737)	(13,589,737)
37,500	2,965,837	4,162,026
(203,214)	(1,511,942)	(4,418,526)
-	(309,721)	(309,721)
(165,714)	1,364,437	(345,958)
596,484	(617,117)	9,412,118
1,721,726	24,657,402	52,823,465
\$ 2,318,210	\$ 24,040,285	\$ 62,235,583

Ashtabula 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, 2020
(See Accountant's Compilation Report)*

Net change in fund balances - total governmental funds	\$	9,412,118
<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. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 3,062,923	
Current year depreciation	<u>(1,761,622)</u>	
Total		1,301,301
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(1,554,286)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	175,242	
Real and other taxes	(253,842)	
Intergovernmental revenues	(2,226,430)	
Special assessments	(35,162)	
Investment income	(78,974)	
Charges for services	<u>146,157</u>	
Total		(2,273,009)
Issuance of refunding bonds are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(13,810,000)
Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,600,237
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities.		
Bonds refunded	12,660,000	
Deferred charges on refundings	<u>929,737</u>	
Total		13,589,737
Prepaid bond insurance is amortized over the life of the issuance in the statement of activities.		31,701
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	32,560	
Amortization of prepaid bond insurance	(594)	
Amortization of deferred amounts on refunding	(29,654)	
Amortization of bond premiums	<u>50,790</u>	
Total		53,102
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(243,994)

- - Continued

Ashtabula County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.

Pension	\$ (5,287,691)	
OPEB	<u>(2,612,680)</u>	
Total		(7,900,371)

Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	4,508,426	
OPEB	<u>30,238</u>	
Total		4,538,664

The internal service funds used by management to charge the costs 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>598,406</u>
Change in net position of governmental activities	<u><u>\$ 5,343,606</u></u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales taxes	\$ 10,481,000	\$ 11,998,000	\$ 11,998,699	\$ 699
Property and other local taxes	3,189,400	3,243,852	3,246,663	2,811
Charges for services	2,863,125	3,222,323	3,164,407	(57,916)
Licenses and permits	104,500	104,500	137,578	33,078
Fines and forfeitures	390,000	385,750	293,816	(91,934)
Intergovernmental	3,217,000	3,390,193	3,357,097	(33,096)
Interest	898,575	723,612	743,564	19,952
Conveyance taxes	400,000	623,545	650,134	26,589
Other	308,327	1,216,481	1,412,828	196,347
Total revenues	<u>21,851,927</u>	<u>24,908,256</u>	<u>25,004,786</u>	<u>96,530</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	7,236,437	7,652,267	7,128,590	523,677
Judicial	6,229,649	6,246,070	5,686,555	559,515
Public safety	7,963,554	5,354,354	5,248,677	105,677
Public works	96,266	107,882	105,844	2,038
Health	106,300	140,373	129,874	10,499
Human services	1,253,435	1,264,966	820,040	444,926
Conservation and recreation	266,560	213,204	210,909	2,295
Total expenditures	<u>23,152,201</u>	<u>20,979,116</u>	<u>19,330,489</u>	<u>1,648,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,300,274)</u>	<u>3,929,140</u>	<u>5,674,297</u>	<u>1,745,157</u>
Other financing sources (uses):				
Advances in	-	256,500	256,500	-
Advances (out)	(28,000)	(56,000)	(35,000)	21,000
Transfers in	264,000	4,857,675	4,947,619	89,944
Transfers (out)	(1,200,000)	(7,099,281)	(7,099,282)	(1)
Total other financing sources (uses)	<u>(964,000)</u>	<u>(2,041,106)</u>	<u>(1,930,163)</u>	<u>110,943</u>
Net change in fund balances	<u>(2,264,274)</u>	<u>1,888,034</u>	<u>3,744,134</u>	<u>1,856,100</u>
Fund balances at beginning of year	<u>6,797,021</u>	<u>6,797,021</u>	<u>6,797,021</u>	<u>-</u>
Prior year encumbrances appropriated	<u>399,818</u>	<u>399,818</u>	<u>399,818</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,932,565</u>	<u>\$ 9,084,873</u>	<u>\$ 10,940,973</u>	<u>\$ 1,856,100</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gas Tax Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 390,000	\$ 390,000	\$ 475,493	\$ 85,493
Fines and forfeitures	60,000	60,000	39,948	(20,052)
Intergovernmental	6,795,000	6,795,000	7,028,864	233,864
Interest	50,000	50,000	24,386	(25,614)
Other	30,000	30,000	47,173	17,173
Total revenues	<u>7,325,000</u>	<u>7,325,000</u>	<u>7,615,864</u>	<u>290,864</u>
Expenditures:				
Current:				
Public works	8,341,393	8,725,753	7,794,221	931,532
Total expenditures	<u>8,341,393</u>	<u>8,725,753</u>	<u>7,794,221</u>	<u>931,532</u>
Net change in fund balances	(1,016,393)	(1,400,753)	(178,357)	1,222,396
Fund balances at beginning of year	2,488,623	2,488,623	2,488,623	-
Prior year encumbrances appropriated	191,364	191,364	191,364	-
Fund balance at end of year	<u>\$ 1,663,594</u>	<u>\$ 1,279,234</u>	<u>\$ 2,501,630</u>	<u>\$ 1,222,396</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 1,768,588	\$ 1,768,588	\$ 1,751,954	\$ (16,634)
Charges for services	56,300	56,300	861	(55,439)
Intergovernmental	11,779,917	10,843,417	9,845,648	(997,769)
Contributions and donations	8,000	8,000	-	(8,000)
Other	77,700	77,700	109,422	31,722
Total revenues	<u>13,690,505</u>	<u>12,754,005</u>	<u>11,707,885</u>	<u>(1,046,120)</u>
Expenditures:				
Current:				
Human services	14,640,269	14,314,765	14,076,526	238,239
Total expenditures	<u>14,640,269</u>	<u>14,314,765</u>	<u>14,076,526</u>	<u>238,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(949,764)</u>	<u>(1,560,760)</u>	<u>(2,368,641)</u>	<u>(807,881)</u>
Other financing sources (uses):				
Transfers in	1,437,320	1,437,320	1,158,689	(278,631)
Transfers (out)	(320,000)	(210,000)	(205,975)	4,025
Total other financing sources (uses)	<u>1,117,320</u>	<u>1,227,320</u>	<u>952,714</u>	<u>(274,606)</u>
Net change in fund balances	167,556	(333,440)	(1,415,927)	(1,082,487)
Fund balances at beginning of year	493,023	493,023	493,023	-
Prior year encumbrances appropriated	1,365,954	1,365,954	1,365,954	-
Fund balance at end of year	<u>\$ 2,026,533</u>	<u>\$ 1,525,537</u>	<u>\$ 443,050</u>	<u>\$ (1,082,487)</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 3,515,000	\$ 3,695,000	\$ 3,698,143	\$ 3,143
Charges for services	1,500	1,500	350	(1,150)
Intergovernmental	4,426,414	5,280,474	6,012,661	732,187
Contributions and donations	6,000	6,000	23,914	17,914
Other	84,000	160,200	198,988	38,788
Total revenues	<u>8,032,914</u>	<u>9,143,174</u>	<u>9,934,056</u>	<u>790,882</u>
Expenditures:				
Current:				
Human services	8,469,412	8,926,041	8,131,270	794,771
Total expenditures	<u>8,469,412</u>	<u>8,926,041</u>	<u>8,131,270</u>	<u>794,771</u>
Net change in fund balances	(436,498)	217,133	1,802,786	1,585,653
Fund balances at beginning of year (restated)	3,015,468	3,015,468	3,015,468	-
Prior year encumbrances appropriated	324,253	324,253	324,253	-
Fund balance at end of year	<u>\$ 2,903,223</u>	<u>\$ 3,556,854</u>	<u>\$ 5,142,507</u>	<u>\$ 1,585,653</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
County Board of Developmental Disabilities Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 6,400,000	\$ 6,507,983	\$ 6,507,658	\$ (325)
Intergovernmental	2,742,000	2,984,735	2,887,040	(97,695)
Interest	6,000	6,000	2,144	(3,856)
Contributions and donations	5,000	5,000	195	(4,805)
Other	250,000	612,200	670,567	58,367
Total revenues	9,403,000	10,115,918	10,067,604	(48,314)
Expenditures:				
Current:				
Health	7,172,406	7,421,401	6,516,868	904,533
Total expenditures	7,172,406	7,421,401	6,516,868	904,533
Excess (deficiency) of revenues over (under) expenditures	2,230,594	2,694,517	3,550,736	856,219
Other financing sources (uses):				
Transfers in	-	2,000,000	2,000,000	-
Transfers (out)	(2,000,000)	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	(2,000,000)	-	-	-
Net change in fund balances	230,594	2,694,517	3,550,736	856,219
Fund balances at beginning of year (restated)	6,357,165	6,357,165	6,357,165	-
Prior year encumbrances appropriated	375,013	375,013	375,013	-
Fund balance at end of year	<u>\$ 6,962,772</u>	<u>\$ 9,426,695</u>	<u>\$ 10,282,914</u>	<u>\$ 856,219</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Nursing Home Fund
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 2,621,850	\$ 2,816,850	\$ 2,968,441	\$ 151,591
Intergovernmental	7,116,000	7,576,000	7,614,165	38,165
Interest	-	-	586	586
Other	842,000	387,000	383,447	(3,553)
Total revenues	<u>10,579,850</u>	<u>10,779,850</u>	<u>10,966,639</u>	<u>186,789</u>
Expenditures:				
Current:				
Human services	10,443,000	10,836,134	10,539,057	297,077
Total expenditures	<u>10,443,000</u>	<u>10,836,134</u>	<u>10,539,057</u>	<u>297,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>136,850</u>	<u>(56,284)</u>	<u>427,582</u>	<u>483,866</u>
Other financing sources (uses):				
Transfers in	-	-	37,500	37,500
Transfers (out)	(203,213)	(203,214)	(203,214)	-
Total other financing sources (uses)	<u>(203,213)</u>	<u>(203,214)</u>	<u>(165,714)</u>	<u>37,500</u>
Net change in fund balances	(66,363)	(259,498)	261,868	521,366
Fund balances at beginning of year (restated)	1,063,442	1,063,442	1,063,442	-
Prior year encumbrances appropriated	437,047	437,047	437,047	-
Fund balance at end of year	<u>\$ 1,434,126</u>	<u>\$ 1,240,991</u>	<u>\$ 1,762,357</u>	<u>\$ 521,366</u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

Statement of Net Position

Proprietary Funds

December 31, 2020

(See Accountant's Compilation Report)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer District	Water District	Geneva State Park Lodge	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 3,871,167	\$ 4,457,378	\$ 2,445,619	\$ 10,774,164	\$ 1,802,870
Cash with fiscal agents	-	-	595,000	595,000	-
Restricted cash held by Delaware North Corporation	-	-	777,313	777,313	-
Receivables:					
Accounts	166,410	419,552	-	585,962	-
Special assessments	402,058	317,825	-	719,883	-
Due from other governments	-	430,000	-	430,000	-
Rent receivable	-	-	29,710	29,710	-
Contract receivable	-	-	590,797	590,797	-
Prepayments	-	-	-	-	149,685
Total current assets	4,439,635	5,624,755	4,438,439	14,502,829	1,952,555
Noncurrent assets:					
Net pension asset	11,513	6,408	-	17,921	-
Capital assets:					
Nondepreciable capital assets	168,208	204,655	-	372,863	-
Depreciable capital assets, net	9,900,598	15,197,728	11,706,398	36,804,724	-
Total capital assets, net	10,068,806	15,402,383	11,706,398	37,177,587	-
Total noncurrent assets	10,080,319	15,408,791	11,706,398	37,195,508	-
Total assets	14,519,954	21,033,546	16,144,837	51,698,337	1,952,555
Deferred outflows of resources:					
Deferred charges on debt refunding	-	-	42,490	42,490	-
Pension	158,902	83,313	-	242,215	-
OPEB	109,527	56,655	-	166,182	-
Total deferred outflows of resources	268,429	139,968	42,490	450,887	-

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Ashtabula County, Ohio

*Statement of Net Position
Proprietary Funds (Continued)
December 31, 2020
(See Accountant's Compilation Report)*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer District	Water District	Geneva State Park Lodge	Total	
Liabilities:					
Current liabilities:					
Accounts payable	\$ 97,444	\$ 230,154	\$ -	\$ 327,598	\$ -
Contracts payable	38,678	116,475	-	155,153	-
Accrued wages and benefits	23,266	12,990	-	36,256	-
Due to other governments	89,874	3,635	-	93,509	-
Accrued interest payable	2,104	11,017	7,250	20,371	-
Compensated absences payable	17,154	10,877	-	28,031	-
Payroll withholding payable	12,864	7,502	-	20,366	-
Revenue bonds payable	-	173,000	605,000	778,000	-
OWDA loans payable	68,663	565,338	-	634,001	-
OPWC loans payable	44,599	73,123	-	117,722	-
Other loans payable	84,134	-	-	84,134	-
Claims payable	-	-	-	-	1,007,088
Total current liabilities	<u>478,780</u>	<u>1,204,111</u>	<u>612,250</u>	<u>2,295,141</u>	<u>1,007,088</u>
Long-term liabilities:					
Compensated absences payable	31,858	20,201	-	52,059	-
Claims payable	-	-	-	-	244,642
Revenue bonds payable	-	3,157,000	1,717,191	4,874,191	-
OWDA loans payable	182,429	7,999,945	-	8,182,374	-
OPWC loans payable	447,260	497,483	-	944,743	-
Other loans payable	84,135	-	-	84,135	-
Net pension liability	852,317	474,362	-	1,326,679	-
Net OPEB liability	590,464	328,626	-	919,090	-
Total long-term liabilities	<u>2,188,463</u>	<u>12,477,617</u>	<u>1,717,191</u>	<u>16,383,271</u>	<u>244,642</u>
Total liabilities	<u>2,667,243</u>	<u>13,681,728</u>	<u>2,329,441</u>	<u>18,678,412</u>	<u>1,251,730</u>
Deferred inflows of resources:					
Pension	239,448	102,955	-	342,403	-
OPEB	115,640	46,788	-	162,428	-
Total deferred inflows of resources	<u>355,088</u>	<u>149,743</u>	<u>-</u>	<u>504,831</u>	<u>-</u>
Net position:					
Net investment in capital assets	9,157,586	2,936,494	9,426,697	21,520,777	-
Restricted for repairs and maintenance	-	-	777,313	777,313	-
Restricted for capital projects	-	430,000	-	430,000	-
Unrestricted	<u>2,608,466</u>	<u>3,975,549</u>	<u>3,653,876</u>	<u>10,237,891</u>	<u>700,825</u>
Total net position	<u>\$ 11,766,052</u>	<u>\$ 7,342,043</u>	<u>\$ 13,857,886</u>	<u>32,965,981</u>	<u>\$ 700,825</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(136,156)	
Net position of business-type activities				<u>\$ 32,829,825</u>	

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer District	Water District	Geneva State Park Lodge	Total	
Operating revenues:					
Tap-in fees	\$ 39,442	\$ 2,850	\$ -	\$ 42,292	\$ -
Charges for services	2,907,251	4,462,859	-	7,370,110	8,115,222
Net change in operations of lodge	-	-	123,224	123,224	-
Other operating revenues	27,080	51,274	-	78,354	-
Total operating revenues	<u>2,973,773</u>	<u>4,516,983</u>	<u>123,224</u>	<u>7,613,980</u>	<u>8,115,222</u>
Operating expenses:					
Personal services	647,246	359,596	-	1,006,842	-
Fringe benefits	297,007	203,642	-	500,649	170,037
Contractual services	1,321,348	2,224,852	415,486	3,961,686	-
Materials and supplies	241,829	224,804	-	466,633	-
Claims	-	-	-	-	7,594,721
Depreciation	524,591	1,069,669	664,594	2,258,854	-
Total operating expenses	<u>3,032,021</u>	<u>4,082,563</u>	<u>1,080,080</u>	<u>8,194,664</u>	<u>7,764,758</u>
Operating income (loss)	<u>(58,248)</u>	<u>434,420</u>	<u>(956,856)</u>	<u>(580,684)</u>	<u>350,464</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(9,530)	(495,348)	(76,354)	(581,232)	-
Interest income	24,225	-	141	24,366	-
Bed tax	-	-	50,000	50,000	-
Other nonoperating revenues	-	-	40,000	40,000	-
Rent revenue	-	-	120,346	120,346	-
Special assessments	4,004	32,861	-	36,865	-
Reserve requirement receipts	-	-	397,761	397,761	-
Total nonoperating revenues (expenses)	<u>18,699</u>	<u>(462,487)</u>	<u>531,894</u>	<u>88,106</u>	<u>-</u>
Income (loss) before contributions and transfers	(39,549)	(28,067)	(424,962)	(492,578)	350,464
Transfer in	-	-	-	-	256,500
Capital contributions	<u>14,653</u>	<u>586,486</u>	<u>1,849,354</u>	<u>2,450,493</u>	<u>-</u>
Change in net position	(24,896)	558,419	1,424,392	1,957,915	606,964
Net position at beginning of year	<u>11,790,948</u>	<u>6,783,624</u>	<u>12,433,494</u>		<u>93,861</u>
Net position at end of year	<u>\$ 11,766,052</u>	<u>\$ 7,342,043</u>	<u>\$ 13,857,886</u>		<u>\$ 700,825</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				<u>8,558</u>	
Change in net position of business-type activities				<u>\$ 1,966,473</u>	

See Accompanying Notes to the Basic Financial Statements

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Ashtabula County, Ohio

*Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer District	Water District	Geneva State Park Lodge	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 2,960,122	\$ 4,483,385	\$ -	\$ 7,443,507	\$ -
Net change in operation of lodge	-	-	415,347	415,347	-
Cash received from other payments	27,080	51,274	-	78,354	-
Cash received from interfund transactions	-	-	-	-	8,115,222
Cash payments for goods and services	(232,916)	(224,892)	-	(457,808)	-
Cash payments to employees	(790,872)	(469,783)	-	(1,260,655)	(149,685)
Cash payments for contractual services	(1,282,049)	(2,178,500)	(416,220)	(3,876,769)	-
Cash payments for claims	-	-	-	-	(7,843,308)
Net cash provided by (used in) operating activities	681,365	1,661,484	(873)	2,341,976	122,229
Cash flows from noncapital financing activities:					
Cash received from bed taxes	-	-	50,000	50,000	-
Cash received from transfers in	-	-	-	-	256,500
Cash used for repayment of interfund loan	-	-	-	-	(256,500)
Cash received from contributions and donations	-	-	309,721	309,721	-
Cash received from other nonoperating	-	-	40,000	40,000	-
Cash received from rent	-	-	195,106	195,106	-
Net cash provided by noncapital financing activities	-	-	594,827	594,827	-
Cash flows from capital and related financing activities:					
Cash received from special assessments	42,233	76,999	-	119,232	-
Acquisition of capital assets	(38,986)	(593,444)	-	(632,430)	-
Cash received from capital reserve requirement	-	-	397,761	397,761	-
Cash payments for principal retirement	(203,498)	(808,845)	(585,000)	(1,597,343)	-
Cash payments for interest and fiscal charges	(10,581)	(495,907)	(104,550)	(611,038)	-
Cash received from loans	30,612	62,455	-	93,067	-
Cash received from capital grants	-	156,486	-	156,486	-
Net cash used in capital and related financing activities	(180,220)	(1,602,256)	(291,789)	(2,074,265)	-
Cash flows from investing activities:					
Interest received	24,225	-	141	24,366	-
Net cash provided by investing activities	24,225	-	141	24,366	-
Net increase in cash and cash equivalents	525,370	59,228	302,306	886,904	122,229
Cash and cash equivalents at beginning of year	<u>3,345,797</u>	<u>4,398,150</u>	<u>3,515,626</u>	<u>11,259,573</u>	<u>1,680,641</u>
Cash and cash equivalents at end of year	<u>\$ 3,871,167</u>	<u>\$ 4,457,378</u>	<u>\$ 3,817,932</u>	<u>\$ 12,146,477</u>	<u>\$ 1,802,870</u>

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Ashtabula County, Ohio

*Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer District	Water District	Geneva State Park Lodge	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (58,248)	\$ 434,420	\$ (956,856)	\$ (580,684)	\$ 350,464
Adjustments:					
Depreciation	524,591	1,069,669	664,594	2,258,854	-
Changes in assets, liabilities and deferred inflows/outflows:					
Change in accounts receivable	13,429	17,676	-	31,105	-
Change in contract receivable	-	-	292,123	292,123	-
Change in prepayments	-	-	-	-	20,352
Change in net pension asset	(5,064)	(3,152)	-	(8,216)	-
Change in deferred outflows of resources - pension	282,221	120,521	-	402,742	-
Change in deferred outflows of resources - OPEB	(21,866)	(24,906)	-	(46,772)	-
Change in accounts payable	50,869	57,923	(734)	108,058	-
Change in contracts payable	(7,640)	(9,446)	-	(17,086)	-
Change in accrued wages and benefits	5,534	3,507	-	9,041	-
Change in payroll withholding payable	12,864	7,502	-	20,366	-
Change in net pension liability	(441,471)	(178,804)	-	(620,275)	-
Change in deferred inflows of resources - pension	219,854	92,912	-	312,766	-
Change in net OPEB liability	(20,781)	20,040	-	(741)	-
Change in deferred inflows of resources - OPEB	113,981	45,951	-	159,932	-
Change in intergovernmental payable	5,838	(1,672)	-	4,166	-
Change in compensated absences payable	7,254	9,343	-	16,597	-
Change in claims payable	-	-	-	-	(248,587)
Net cash provided by (used in) operating activities	<u>\$ 681,365</u>	<u>\$ 1,661,484</u>	<u>\$ (873)</u>	<u>\$ 2,341,976</u>	<u>\$ 122,229</u>

During 2020, the sewer district fund received \$14,653 in capital assets from governmental activities.

During 2020, the Geneva State Park Lodge fund received \$1,539,633 in capital assets from governmental activities.

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020
(See Accountant's Compilation Report)*

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 6,399,186
Cash in segregated accounts	1,442,500
Receivables:	
Property taxes	97,521,432
Special assessments	3,706,520
Accounts	2,575
Due from other governments	4,633,508
Total assets	<u>113,705,721</u>
Liabilities:	
Accounts payable	185,760
Accrued wages and benefits	57,708
Due to other governments	1,351,818
Payroll withholding payable	31,457
Total liabilities	<u>1,626,743</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	<u>88,818,686</u>
Net position:	
Restricted for individuals, organizations and other governments	23,260,292
Total net position	<u><u>\$ 23,260,292</u></u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio

*Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

	Custodial
Additions:	
Intergovernmental	\$ 18,462,756
Amounts received as fiscal agent	5,958,856
Fines and forfeitures for other governments	12,314,151
Property tax collection for other governments	86,951,573
Earnings on investments	365
Other custodial fund collections	2,227,624
Total additions	<u>125,915,325</u>
Deductions:	
Distributions of state funds to other governments	19,158,767
Distributions as fiscal agent	5,388,125
Fines and forfeitures distributions to other governments	12,314,151
Property tax distributions to other governments	86,713,510
Other custodial fund disbursements	2,169,357
Total deductions	<u>125,743,910</u>
Net change in fiduciary net position	171,415
Net position beginning of year (restated)	<u>23,088,877</u>
Net position end of year	<u><u>\$ 23,260,292</u></u>

See Accompanying Notes to the Basic Financial Statements

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

NOTE 1: DESCRIPTION OF ASHTABULA COUNTY AND REPORTING ENTITY

A. The County

Ashtabula County, Ohio (The County) was created in 1807. The County is governed by a board of three Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, and Sheriff. Also elected are three Common Pleas Court Judges, a Probate and Juvenile Court Judge, and two County (Area) Court Judges. Although these elected officials manage the internal operations of their respective departments, the County Commissioners serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County, including each of these departments.

B. Reporting Entity

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Ashtabula County, this includes the Children Services Board, the Ashtabula County Board of Developmental Disabilities, the Ashtabula County Board of Mental Health and Recovery Services, the Department of Job and Family Services, the Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes.

Blended Component Units – The Ashtabula County 503 Corporation and the Ashtabula County Convention Facilities Authority are considered blended component units of the County by virtue of meeting the criteria noted above.

Ashtabula County 503 Corporation – The Ashtabula County 503 Corporation (the "Corporation") is a non-profit corporation established pursuant to the laws of the State of Ohio to administer the U.S. Small Business Administration's 503/504 Loan Program. The Corporation also administers and services Revolving Loan Funds from the Economic Development Administration as a co-grantee and the Ohio Department of Development as an administering agency for the County.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

Ashtabula County Convention Facilities Authority – The County Commissioners, by resolution, created a Convention Facilities Authority (CFA) under the authority granted to it by Chapter 351 of the Ohio Revised Code and further authorized the CFA to levy an excise tax of 2 percent on lodging within the County to assist the County in paying the cost of the Geneva State Park Lodge and Conference Center, to pay principal, interest and premium on bonds issued; to pay operating and maintenance costs of those facilities; and to pay the operating costs of the authority.

Six directors were appointed by the County Commissioners. One shall be a representative of the townships in the County, one shall be a representative of a major business trade association located in the County, and one shall be a representative of the Convention and Visitors' Bureau operating within the County. Not more than three of the persons appointed under this division shall be members of the same political party.

Discretely Presented Component Units – The component unit columns in the financial statements identify the financial data of the County's component units, Northeast Ohio Regional Airport and the Ashtabula County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County.

Northeast Ohio Regional Airport – The Northeast Ohio Regional Airport (the Airport) was created by a resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport is governed by a nine member board of trustees appointed by the County Commissioners. The Board of Trustees 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 Ashtabula County. The Airport has a December 31 year end. Separately issued financial statements can be obtained from the Northeast Ohio Regional Airport, 2382 Airport Rd., P.O. Box 379, Jefferson, Ohio 44047.

Ashtabula County Land Reutilization Corporation - The Ashtabula County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Ashtabula County on May 7, 2013 and incorporated on May 22, 2013 under Chapter 1724 of Revised Code. The Corporation's governing body is a seven member Board of Directors, consisting of the County Treasurer, three County Commissioners, one city manager in the county, one realtor representative, and one member representing the townships with populations in excess of 10,000. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is classified as a component unit of Ashtabula County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61. Separately issued financial statements can be obtained from the Corporation by contacting John Mahoney, Interim Ashtabula County Treasurer, 25 West Jefferson Street, Jefferson, Ohio 44047.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

Information related to the Northeast Ohio Regional Airport and Ashtabula County Land Reutilization Corporation is presented in Notes 26 and 27 to the basic financial statements.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. In the case of the legally separate agencies, boards and commissions listed below, the County serves as fiscal agent, but the organizations are not considered a part of Ashtabula County. Accordingly, the activity of the following districts is presented as custodial funds within the County's financial statements:

General Health District
Soil and Water Conservation District
Ashtabula County Metroparks
Ashtabula County Family and Children First

The County participates in the following shared risk pool, related organizations, and jointly governed organizations. These organizations are presented in Notes 11, 20 and 21 to the basic statements. These organizations are:

County Risk Sharing Authority, Inc. (CORSA)
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)
Ashtabula County District Library
Ashtabula County Metroparks
Northeast Ohio Community Alternative Program Facility
Family and Children First Council
Northeast Ohio Consortium Council of Governments (NOC COG)
Heartland East Administrative Services Center (Heartland)
North East Ohio Network (N.E.O.N)
EASTGATE Regional Council of Governments

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

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

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

B. Fund Accounting

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

Governmental Funds – Governmental funds are those through which most governmental functions 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 governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

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

Motor Vehicle and Gas Tax Fund – The motor vehicle and gas tax special revenue fund is used to account for all revenue received by the County for Motor Vehicle and Gas Tax. The revenue is spent for road and bridge infrastructure.

Public Assistance Fund – The public assistance special revenue fund is used to account for various Federal and State grants as well as transfers from the general fund used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

Children Services Board – The Children Services Board special revenue fund is used to account for monies received from a county-wide property tax, Federal and State grants, support collections and VA and social security paid for the benefit of children. Major expenditures are for foster homes, emergency shelters, medical care, school supplies, counseling and parental training.

County Board of Developmental Disabilities Fund – The County Board of Developmental Disabilities (DD) special revenue fund is used to account for the operation of a school and programs for the developmentally disabled. Revenue sources are County-wide property tax levies and several Federal and State grants and subsidies.

Nursing Home Fund – The nursing home special revenue fund is used to account for the revenues and expenditures incurred in the operation of the Ashtabula County Nursing Home.

The other governmental funds of the County account for grants and other resources whose use is restricted, committed or assigned to a particular purpose and for the accumulation of resources for and the payment of, principal and interest on the County's general long-term debt.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The sewer district, water district, and Geneva State Lodge funds are the County's major enterprise funds.

Sewer District Fund – The sewer district fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the County.

Water District Fund – The water district fund accounts for the provisions of water service to the residents and commercial users located within the County.

Geneva State Park Lodge Fund – The Geneva State Lodge fund accounts for the operations of the Lodge and the construction related debt service payments.

Internal Service Funds – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds account for employee medical benefits risk pool payments and the workers' compensation self-insurance plan.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
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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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County does not have any pension trust funds, investment trust funds or private purpose trust funds. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, State-levied shared revenues, fines and forfeitures collected and distributed to other political subdivisions and other amounts collected for and distributed to organizations and individuals.

C. Measurement Focus

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

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources 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.

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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D. Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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, revenue in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurred. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from 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 9), state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, charges for services and rentals.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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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 Notes 14 and 15 for deferred outflows of resources related the County's net pension liability and net OPEB liability, respectively. 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, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes, but is not limited to, sales taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the County, see Notes 14 and 15 for deferred inflows of resources related to the County's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

E. Pooled Cash and Cash Equivalents

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

During 2020, investments were limited to money market mutual funds, federal agency securities, negotiable CDs, the State Treasury Asset Reserve of Ohio (STAR Ohio), United States Treasury Bills and donated common stock. Investments are reported at fair value, which is based on quoted market prices.

During 2020, the County invested in STAR Ohio. STAR 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.

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For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2020 amounted to \$803,790, which includes \$669,962 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 in the statement of net position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the County treasury. Limited cash held by the Sheriff, Prosecutor, Mental Health and Recovery Services Board, Board of Developmental Disabilities, Convention Facilities Authority and grant funds managed by Ashtabula County 503 Corp are included in this line item.

The County's contract with the Delaware North Corporation to manage the Geneva State Park Lodge specifies that a certain percentage of gross revenues are to be deposited on a monthly basis in a separate bank account to be used for capital expenditures to maintain the facilities, furniture and fixtures. This money is held separate from the County's central bank account and is presented in the statement of net position as "restricted cash and cash equivalents."

The County utilizes a jointly governed organization (NEON) to provide services to developmentally disabled residents within the County. The balance in this account is presented in the statement of net position as "cash and cash equivalents with fiscal agents" and represents the monies held for the County.

A covenant of the refunding revenue bonds issued for the construction of the Geneva State Park Lodge dictates that the County maintains a trust account held in reserve to ensure servicing of the debt. The balance in this account is presented in the statement of net position as "cash and cash equivalents with fiscal agents" and represents the monies held for the County.

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 presented on the financial statements as cash equivalents.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

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H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the Geneva State Park Lodge fund represent money set aside for repairs and improvements to the facility and equipment, to meet a requirement in a lease agreement with the State of Ohio; and the balance of debt proceeds to be used for the construction on an outdoor pool at the facility.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of \$5,000. 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All reported capital assets, except for land, construction-in-progress and general infrastructure are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Infrastructure assets related to business-type activities pertain to the water and wastewater utility operations. Infrastructure assets related to governmental activities consist of County roads and bridges.

Depreciation of capital assets is computed using the straight-line method over the following useful lives:

Description	Governmental	Business-Type
	Activities	Activities
	Estimated Lives	Estimated Lives
Building and improvements	40 Years	40 Years
Improvements other than buildings	20-50 Years	20-50 Years
Equipment and machinery	5-15 Years	5-15 Years
Infrastructure-sewer and water lines	50 Years	50 Years
Furniture and fixtures	15 Years	15 Years
Vehicles	6-10 Years	10 Years

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Infrastructure assets consist of County roads and bridges and includes infrastructure acquired prior to December 1980. These assets are presented using the modified approach and are, therefore, not depreciated. Costs incurred by the County to preserve existing roads and bridges are expensed rather than capitalized. Only those costs that represent additions or improvements are capitalized. Additional disclosures about the condition assessments and maintenance cost regarding the County's roads and bridges appear in the required supplementary information.

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance restriction. Interfund balances are eliminated in the government-wide statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who has accumulated unpaid leave is paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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 proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims, compensated absences, and special termination benefits 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 fiscal year. Bonds, notes, and long-term loans are recognized as a liability on the government fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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M. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include dog and kennel, enforcement and education, workforce development and economic development.

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

N. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners, which may be expressed by a motion but need not be passed by formal action, such as a resolution.

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and sewer services, the health insurance and workers' compensation internal service programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

P. Interfund Activity

Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

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

Q. 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.

R. Bond Premiums

On the government-wide financial statements and the statement of fund net position of the proprietary funds, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued.

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S. Estimates

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

T. Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. Budgetary information for the Convention Facilities Authority special revenue fund, a blended component unit, the Redevelopment Tax Equivalent debt service fund, the Sewer District, Water District, Geneva State Park Lodge enterprise funds, and the private purpose trust funds are not reported because they are not included in the entity for which the "appropriated budget" is adopted and do not maintain budgetary financial records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is County Commissioner's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by County Commissioners.

The legal level of control has been established by County Commissioners at the object level within each department for all funds.

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 and final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time the original and final appropriations were enacted by the County Commissioners.

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

U. Payment in Lieu of Taxes

According to State law, the County has entered into agreements with a number of property owners under which the County has granted property tax exemptions to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

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V. Special and Extraordinary Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

W. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES

A. Change in Accounting Principles

For 2020, the County has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements", and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61."

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the County.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds and private purpose trust funds. The County reviewed its agency and private purpose trust funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the County's financial statements.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the County.

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GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the County.

For 2020, the County has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the County has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

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B. Restatement of Net Position and Fund Balances

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at December 31, 2019:

	<u>General</u>	<u>Motor Vehicle and Gas Tax</u>	<u>Public Assistance</u>	<u>Children's Services</u>	<u>County Board of DD</u>
Fund balance as previously reported	\$ 9,312,017	\$ 3,445,730	\$ 945,633	\$ 3,046,712	\$ 9,534,584
GASB Statement No. 84	<u>10,305</u>	<u>-</u>	<u>-</u>	<u>201,088</u>	<u>248,268</u>
Restated fund balance, at December 31, 2019	<u>\$ 9,322,322</u>	<u>\$ 3,445,730</u>	<u>\$ 945,633</u>	<u>\$ 3,247,800</u>	<u>\$ 9,782,852</u>

	<u>Nursing Home</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance as previously reported	\$ 1,671,688	\$ 23,471,708	\$ 51,428,072
GASB Statement No. 84	<u>50,038</u>	<u>1,185,694</u>	<u>1,695,393</u>
Restated fund balance, at December 31, 2019	<u>\$ 1,721,726</u>	<u>\$ 24,657,402</u>	<u>\$ 53,123,465</u>

The implementation of GASB Statement No. 84 had the following effect on the net position as reported at December 31, 2019:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position as previously reported	\$ 118,308,351	\$ 30,863,352
GASB Statement No. 84	<u>1,695,393</u>	<u>-</u>
Restated net position at December 31, 2019	<u>\$ 120,003,744</u>	<u>\$ 30,863,352</u>

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$22,956,254. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds and private purpose trust funds. At December 31, 2019, agency funds reported assets and liabilities of \$114,406,432. At December 31, 2019, private purpose trust funds reported net position of \$1,717,668.

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NOTE 4: ACCOUNTABILITY

Fund balances at December 31, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Drug Task Force	\$ 3,668
Adult Drug Court DOJ	1,516
County Transportation	8,586
MHRS Drug Court Grant	12,496

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

NOTE 5: GENEVA STATE PARK LODGE

The County has contracted with Delaware North to manage the Geneva State Park Lodge. Therefore, the operating income and expenses are not reported in these financial statements. Only the net profit or loss is reported, along with the assets, liabilities, other revenues and expenses of the Lodge. The gross operating revenues and expenses for 2020 are:

	<u>Geneva State Park</u>
<i>Operating revenues:</i>	
Total sales, including lodging, food & retail sales	\$ 5,422,025
Other income	65,927
<i>Total operating revenues</i>	<u>5,487,952</u>
<i>Operating expenses:</i>	
Cost of sales	528,687
Payroll & related expenses	2,048,411
Utilities	249,521
Other controllable expenses	1,479,514
Other non-controllable expenses	285,213
<i>Total operating expenses</i>	<u>4,591,346</u>
Operating profit	896,606
Interest income	16,250
Non-operating expenses	(384,167)
Management fee	(405,465)
Pre-tax profit	<u>\$ 123,224</u>

On December 29, 2016, the County and the DNC Parks & Resorts Geneva Canopy Tours, Inc., a Delaware North Corporation, entered into a sublease agreement. The County agrees to sublease a parcel of real property located within the Geneva State Park for the purpose of constructing and operating additional improvements.

The agreement term is January 1, 2017 to December 31, 2025. The County will receive a land lease fee of \$50,000 with an additional 2% of annual gross revenues when gross revenues exceed \$1,000,000 in that calendar year.

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On December 15, 2015, the County and Delaware North entered into a sublease agreement. The County agrees to sublease a parcel of real property located within the Geneva State Park to Delaware North for the purpose of constructing and operating additional improvements. The County wishes to promote further recreational use of the Geneva State Park.

The agreement term is January 1, 2016 to December 31, 2035. The County will receive a land lease fee of 10% of gross revenues with a minimum annual guarantee of \$100,000.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statements of revenues, expenditures, and changes in fund balances - budget (Non-GAAP basis) and actual – are presented in the basic financial statements for the general and major special revenue funds. The major differences between the budget basis and the GAAP basis (generally accepted accounting principles) are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a part of restricted, committed and assigned fund balances (GAAP).
4. Unrecorded cash, which consists of in-transit court cash and unrecorded interest, is not reported by the County on the operating statements (budget), but is reported on the GAAP basis operating statements.
5. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. *Certain funds have legally separate adopted budgets (budget) but are included in the general fund (GAAP).

*As part of Governmental Accounting Standards Board No. 54 "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This included the certificate of title administrator special revenue fund.

In addition, the County does not budget for various operations in the general fund. The activities of the various general accounts are included in the general fund on the GAAP financial statements. The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general and major special revenue funds.

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Net Change in Fund Balance
General and Major Special Revenue Funds

	General	Motor Vehicle and Gas Tax	Public Assistance
Budget basis	\$ 3,744,134	\$ (178,357)	\$ (1,415,927)
Net adjustment for revenue accruals	165,184	604,724	(19,266)
Net adjustment for expenditure accruals	(44,044)	(597,998)	433,646
Net adjustment for other financing sources (uses)	(221,500)	-	(110,882)
Adjustment for funds budgeted as special revenue	(28,535)	-	-
Adjustment for encumbrances	587,440	139,270	1,151,065
GAAP basis	<u>\$ 4,202,679</u>	<u>\$ (32,361)</u>	<u>\$ 38,636</u>

	Children's Services	County Board of DD	Nursing Home
Budget basis	\$ 1,802,786	\$ 3,550,736	\$ 261,868
Net adjustment for revenue accruals	(94,647)	2,052,749	(91,976)
Net adjustment for expenditure accruals	17,376	(2,700,713)	98,282
Adjustment for encumbrances	326,595	268,915	328,310
GAAP basis	<u>\$ 2,052,110</u>	<u>\$ 3,171,687</u>	<u>\$ 596,484</u>

NOTE 7: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the County into two categories, active and inactive. Active deposits are public monies determined to be necessary to meet current demand upon the 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.

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

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

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 or interest by the United States; or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

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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 and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
8. Up to twenty-five percent of the County's average portfolio in either of the following
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and mature within 270 days after purchase.
 - b. Banker's acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.
9. Fifteen percent of the County's total average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
10. No-load money market mutual fund rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rate commercial paper; and
11. One percent of the County's average portfolio in debt interest rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Other than corporate notes, commercial paper, and bankers acceptances, except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial Credit Risk Custodial credit risk is the risk that, in the event of a bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the County's deposits was \$50,943,338. Based on the criteria of GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, \$19,170,099 of the County's bank balance of \$53,369,501 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and 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.

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 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 be either insured or be 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 rate set by the Treasurer of State. For 2020, some of the County's financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

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Investments

Investments are reported at fair value. As of December 31, 2020, the County had the following investments:

Measurement/ Investment Type	Measurement Value	Investment Maturities			
		12 Months or Less	1-3 Years	3-5 Years	
Fair Value:					
Negotiable CDs	\$ 4,792,281	\$ 1,249,258	\$ 1,517,561	\$ 2,025,462	
Common Stock	67,524	67,524	-	-	
Money Market Mutual Fund	304,740	304,740	-	-	
US Treasury Bills	595,000	595,000	-	-	
Federal Home Loan Mortgage Corporation Bonds	6,998,100	-	-	6,998,100	
Federal Farm Credit Bonds	999,990	-	999,990	-	
Federal National Mortgage Association Bonds	3,001,380	-	-	3,001,380	
Federal Home Loan Mortgage Bank Bonds	1,997,250	-	-	1,997,250	
Amortized Cost:					
STAR Ohio	13,831,719	13,831,719	-	-	
Total Investments	\$ 32,587,984	\$ 16,048,241	\$ 2,517,551	\$ 14,022,192	

The County's investments in money market mutual funds and common stock are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), U.S. Treasury Bills and negotiable certificates of deposit are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of 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 U.S. Treasury Bills, Federal National Mortgage Association bonds, Federal Home Loan Bank bonds, Federal Home Loan Mortgage Corporation bonds, Federal Farm Credit bonds, and common stock are exposed to custodial credit risk in that they are uninsured, not registered in the County's name and held by the counterparty, not in the County's name. The County's investments in Negotiable CDs are insured by the FDIC. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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Credit Risk The County's investments in federal agencies and in the money market mutual funds were rated AA+ by Standard & Poor's and Fitch Ratings and AAA by Moody's Investors Service. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The County has no investment policy that addresses credit risk.

Concentration of Credit Risk The County has some limits on amounts that may be invested in any one issuer, as detailed above. None of those limits have been exceeded at December 31, 2020. The following is the County's investment allocation at December 31, 2020:

Measurement\Investment Type	Measurement Value	Percent of Total
Fair Value:		
Negotiable CDs	\$ 4,792,281	14.7%
Federal National Mortgage Assoc. Bonds	3,001,380	9.2%
Federal Home Loan Bank Bonds	1,997,250	6.1%
Federal Farm Credit Bonds	999,990	3.1%
Federal Home Loan Mortgage Corp. Bonds	6,998,100	21.5%
U.S. Treasury Bills	595,000	1.8%
Money Market Mutual Funds	304,740	0.9%
Common Stock	67,524	0.2%
Amortized Cost:		
STAR Ohio	13,831,719	42.5%
Total Investments	<u>\$ 32,587,984</u>	<u>100.0%</u>

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net position as of December 31, 2020:

Cash and Investments per Note Disclosure

Carrying amount of deposits	\$50,943,338
Investments	<u>32,587,984</u>
Total	<u><u>\$83,531,322</u></u>

Cash and Investments per Statement of Net Position

Governmental activities	\$63,543,159
Business-type activities	12,146,477
Custodial funds	<u>7,841,686</u>
Total	<u><u>\$83,531,322</u></u>

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NOTE 8: 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.

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. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 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. 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, 2020 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources 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 considered a deferred inflow of resources.

The full tax rate for all County operations for the year ended December 31, 2020 was \$11.52 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,751,857,930	92.54 %
Public utility personal property	<u>141,228,440</u>	<u>7.46 %</u>
Total assessed value	<u>\$ 1,893,086,370</u>	<u>100.00 %</u>

NOTE 9: PERMISSIVE SALES AND USE TAX

In April 1977, the County Commissioners, by resolution imposed a 1/2 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage use, or consumption in the County of tangible personal property, including automobiles, not subject to sales tax. At the November 1977 general election a renewal of the tax was approved by the voters of the County. On July 1, 1985, the County Commissioners by resolution imposed an additional 1/2 percent tax.

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Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the taxes to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. A warrant payable to the County is to be made within five days of the certification.

Proceeds of the tax are credited to the County's general fund and provide financing for current operating expenditures.

NOTE 10: RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, accounts (billings for user charged services including unbilled utility services), rent, special assessments, accrued interest, alimony, child support, and intergovernmental receivables arising from grants, entitlements, and shared revenues. Except for alimony and child support collected and distributed through a custodial fund, receivables are considered collectible in full. Utility accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Total special assessments receivable at December 31, 2020 were \$1,301,008. \$616,561 is expected to be collected in more than one year and the amount of delinquent special assessments was \$21,704.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<i>Governmental Activities</i>	
Grants	\$ 3,871,556
Motor Vehicle License Tax	1,438,990
Motor Vehicle Gas Tax	1,736,598
Homestead and Rollback	961,100
Casino Revenue	580,051
Local Government	449,249
Total	<u>\$ 9,037,544</u>
<i>Business-Type Activities</i>	
Grants	<u>\$ 430,000</u>

NOTE 11: SHARED RISK POOL

A. County Risk Sharing Authority, Inc. (CORSА)

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

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Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2020 was \$404,251.

B. County Employee Benefits Consortium of Ohio, Inc.

The County participates with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed costs of the consortium.

The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two-thirds of the directors are county commissioners of the member counties and one-third are employees of the member counties. Each member of the consortium is entitled to one vote. At all times, one director is required to be a member of the board of directors of the County Commissioners' Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

NOTE 12: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2020, the County contracted with the County Risk Sharing Authority (CORSA) for insurance coverage as follows:

I. Liability

General Liability	\$ 1,000,000
Law Enforcement Liability	1,000,000
Automobile Liability	1,000,000
Public Official Errors and Omissions Liability	1,000,000
Excess Liability	9,000,000
Uninsured Motorists Liability	250,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	1,000,000
Medical Professional Liability	10,000,000
Jail Doctor Coverage	1,000,000

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II. Property

Building and Contents – Replacement Cost	\$190,741,671
Other Property Insurance:	
Bridges	20,499,134
Contractors Equipment	3,924,370
Data Processing Equipment	100,000,000
Property in Transit	100,000
Extra Expense	1,000,000
Flood and Earthquake	100,000,000
Valuable Papers and Records	1,000,000
Automobile Physical Damage	1,000,000
Automatic Acquisition	5,000,000
Unintentional Omissions	250,000
Equipment Breakdown	100,000,000
Crime Insurance	1,000,000

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.

The County Board of Developmental Disabilities purchases hospital/medical, dental, drug and vision insurance benefits for its employees through Ohio Association of County Boards Trust Health Care Alliance.

In 2020, the County participated in a risk-sharing pool, the County Employee Benefits Consortium of Ohio, Inc. (CEBCO) to provide hospital/medical and prescription drug coverage benefits for employees. CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into the Health Insurance internal service fund by participating funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County's claims experience. An excess coverage policy covers annual individual claims in excess of \$75,000 with an unlimited maximum. CEBCO retains liability for claims that exceed the expected losses and charged premiums. Incurred but not reported claims of \$1,100,012 have been accrued as a liability based on estimate by a third-party administrator.

The County participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for injured employees. Claims expense of \$93,813 for 2020 is accrued as a liability at year end. The reserve for future claims liability of \$57,905 is reported as a long-term liability on the statement of net position, based on the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

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The claims liability reported at December 31, 2020, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in total claims activity for 2019 and 2020 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2019	\$ 1,411,800	\$ 8,191,050	\$ 8,102,533	\$ 1,500,317
2020	1,500,317	7,594,721	7,843,308	1,251,730

NOTE 13: CAPITAL ASSETS

A summary of changes in capital assets during 2020 follows:

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 927,673	\$ -	\$ -	\$ 927,673
Infrastructure	117,525,663	194,139	-	117,719,802
Construction in progress	3,647,950	1,896,658	(5,192,633)	351,975
<i>Total capital assets not being depreciated</i>	<u>122,101,286</u>	<u>2,090,797</u>	<u>(5,192,633)</u>	<u>118,999,450</u>
<i>Capital assets being depreciated:</i>				
Buildings	33,808,237	3,663,197	-	37,471,434
Improvements other than buildings	1,493,555	30,000	-	1,523,555
Equipment	11,459,763	316,364	-	11,776,127
Intangibles	1,098,135	86,400	-	1,184,535
Vehicles	8,420,703	514,512	-	8,935,215
<i>Total capital assets being depreciated</i>	<u>56,280,393</u>	<u>4,610,473</u>	<u>-</u>	<u>60,890,866</u>
<i>Less Accumulated depreciation:</i>				
Buildings	(12,756,472)	(688,278)	-	(13,444,750)
Improvements other than buildings	(639,804)	(49,664)	-	(689,468)
Equipment	(7,210,300)	(482,507)	-	(7,692,807)
Intangibles	(941,640)	(48,590)	-	(990,230)
Vehicles	(5,157,826)	(492,583)	-	(5,650,409)
<i>Total accumulated depreciation</i>	<u>(26,706,042)</u>	<u>(1,761,622)</u>	<u>-</u>	<u>(28,467,664)</u>
Capital assets being depreciated, net	<u>29,574,351</u>	<u>2,848,851</u>	<u>-</u>	<u>32,423,202</u>
Governmental activities capital assets, net	<u>\$ 151,675,637</u>	<u>\$ 4,939,648</u>	<u>\$ (5,192,633)</u>	<u>\$ 151,422,652</u>

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*Depreciation expense was charged to governmental functions as follows:

Governmental activities:

General government:

Legislative and executive	\$ 402,993
Judicial	59,432
Human services	341,246
Public works	343,520
Public safety	375,266
Health	<u>239,165</u>
Total depreciation expense - governmental activities	<u>\$ 1,761,622</u>

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Business-Type Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 218,083	\$ -	\$ -	\$ 218,083
Construction in progress	<u>77,110</u>	<u>556,893</u>	<u>(479,223)</u>	<u>154,780</u>
<i>Total capital assets not being depreciated</i>	<u>295,193</u>	<u>556,893</u>	<u>(479,223)</u>	<u>372,863</u>
<i>Capital assets being depreciated:</i>				
Buildings	22,914,455	1,554,286	-	24,468,741
Water and sewer system	58,641,212	479,223	-	59,120,435
Equipment	2,967,085	8,600	-	2,975,685
Vehicles	<u>767,538</u>	<u>66,937</u>	<u>-</u>	<u>834,475</u>
<i>Total capital assets being depreciated</i>	<u>85,290,290</u>	<u>2,109,046</u>	<u>-</u>	<u>87,399,336</u>
<i>Less Accumulated depreciation:</i>				
Buildings	(12,172,312)	(594,760)	-	(12,767,072)
Water and sewer system	(34,671,607)	(1,386,416)	-	(36,058,023)
Equipment	(1,096,521)	(221,757)	-	(1,318,278)
Vehicles	<u>(395,318)</u>	<u>(55,921)</u>	<u>-</u>	<u>(451,239)</u>
<i>Total accumulated depreciation</i>	<u>(48,335,758)</u>	<u>(2,258,854)</u>	<u>-</u>	<u>(50,594,612)</u>
Capital assets being depreciated, net	<u>36,954,532</u>	<u>(149,808)</u>	<u>-</u>	<u>36,804,724</u>
Business-Type activities capital assets, net	<u>\$ 37,249,725</u>	<u>\$ 407,085</u>	<u>\$ (479,223)</u>	<u>\$ 37,177,587</u>

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NOTE 14: DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/asset 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.

The remainder of this note includes the pension disclosures. See Note 15 for the OPEB disclosures.

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Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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>
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	0.0 %	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

***** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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 \$4,650,113 for 2020. Of this amount, \$171,593 is reported as due to other governments.

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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 system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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.

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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. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$0 for 2020.

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

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.24590000%	0.29693600%	0.16109300%	0.00018153%	
Proportion of the net pension liability/asset current measurement date	<u>0.23016400%</u>	<u>0.29229000%</u>	<u>0.13340300%</u>	<u>0.00000000%</u>	
Change in proportionate share	<u>-0.01573600%</u>	<u>-0.00464600%</u>	<u>-0.02769000%</u>	<u>-0.00018153%</u>	
Proportionate share of the net pension liability	\$ 43,540,857	\$ -	\$ -	\$ -	\$ 43,540,857
Proportionate share of the net pension asset	-	583,334	4,826	-	588,160
Pension expense	5,775,980	66,831	(2,843)	(323,573)	5,516,395

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At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 16,125	\$ -	\$ 16,125
Changes of assumptions	2,325,592	60,146	783	-	2,386,521
Changes in employer's proportionate percentage/ difference between employer contributions	27,320	-	-	30,967	58,287
Contributions subsequent to the measurement date	4,390,483	181,660	77,970	-	4,650,113
Total deferred outflows of resources	<u>\$ 6,743,395</u>	<u>\$ 241,806</u>	<u>\$ 94,878</u>	<u>\$ 30,967</u>	<u>\$ 7,111,046</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 550,512	\$ 136,950	\$ -	\$ -	\$ 687,462
Net difference between projected and actual earnings on pension plan investments	8,685,420	75,662	1,521	-	8,762,603
Changes in employer's proportionate percentage/ difference between employer contributions	2,383,379	-	-	1,056,016	3,439,395
Total deferred inflows of resources	<u>\$ 11,619,311</u>	<u>\$ 212,612</u>	<u>\$ 1,521</u>	<u>\$ 1,056,016</u>	<u>\$ 12,889,460</u>

\$4,650,113 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, 2021.

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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	OP&F	Total
2021	\$ (2,602,709)	\$ (37,173)	\$ 1,899	\$ (327,250)	\$ (2,965,233)
2022	(3,574,669)	(35,755)	1,927	(341,182)	(3,949,679)
2023	359,661	(14,657)	2,311	(349,698)	(2,383)
2024	(3,448,682)	(42,356)	1,721	(6,919)	(3,496,236)
2025	-	(7,902)	2,068	-	(5,834)
Thereafter	-	(14,623)	5,461	-	(9,162)
Total	<u>\$ (9,266,399)</u>	<u>\$ (152,466)</u>	<u>\$ 15,387</u>	<u>\$ (1,025,049)</u>	<u>\$ (10,428,527)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

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Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. 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/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 71,812,962	\$ 43,540,857	\$ 18,125,063
Combined Plan	(352,478)	(583,334)	(749,716)
Member-Directed Plan	(2,554)	(4,826)	(6,384)

Actuarial Assumptions - State Teachers Retirement System (STRS)

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2020.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increase	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation*	Long-Term Expected 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
Liquid reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**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' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that 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. 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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NOTE 15: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 14 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

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

The County's contractually required contribution was \$31,188 for 2020. Of this amount, \$1,151 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability			
prior measurement date	0.24404600%	0.00018153%	
Proportion of the net OPEB liability			
current measurement date	<u>0.22817400%</u>	<u>0.00000000%</u>	
Change in proportionate share	<u>-0.01587200%</u>	<u>-0.00018153%</u>	
Proportionate share of the net OPEB liability	\$ 30,164,030	\$ -	\$ 30,164,030
OPEB expense	2,732,108	(6,058)	2,726,050

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 810	\$ -	\$ 810
Changes of assumptions	4,774,646	-	4,774,646
Changes in employer's proportionate percentage/ difference between employer contributions	34,110	7,299	41,409
Contributions subsequent to the measurement date	31,188	-	31,188
Total deferred outflows of resources	<u>\$ 4,840,754</u>	<u>\$ 7,299</u>	<u>\$ 4,848,053</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,758,640	\$ -	\$ 2,758,640
Net difference between projected and actual earnings on pension plan investments	1,535,945	-	1,535,945
Changes in employer's proportionate percentage/ difference between employer contributions	1,388,303	44,213	1,432,516
Total deferred inflows of resources	<u>\$ 5,682,888</u>	<u>\$ 44,213</u>	<u>\$ 5,727,101</u>

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\$31,188 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

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

Year Ending December 31:	OPERS	STRS	Total
2021	\$ (66,246)	\$ (6,984)	\$ (73,230)
2022	(151,973)	(6,984)	(158,957)
2023	1,221	(6,984)	(5,763)
2024	(656,324)	(6,984)	(663,308)
2025	-	(8,802)	(8,802)
Thereafter	-	(176)	(176)
Total	<u>\$ (873,322)</u>	<u>\$ (36,914)</u>	<u>\$ (910,236)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

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The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

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	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 39,474,473	\$ 30,164,030	\$ 22,709,396

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$ 29,273,916	\$ 30,164,030	\$ 31,042,799

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

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Actuarial Assumptions - State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	July 1, 2020		July 1, 2019	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

NOTE 16: 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. Compensatory time, up to 240 hours, must be taken within 180 days from date earned or is paid in cash to employees. Upon retirement or death, twenty-five (25) percent of an employee's accumulated, unused sick leave is paid, up to a maximum of 240 hours.

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NOTE 17: LONG-TERM OBLIGATIONS

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
Various Purpose Improvement & Refunding Bonds-2013	2.0% - 4.0%	\$ 18,395,000	12/1/2021
Refunding Bonds-2020	0.5% - 1.9%	13,810,000	12/1/2031
OPWC Loan-Clay Street Phase 5-2009	0.00%	149,714	1/1/2022
OPWC Loan-South Windsor Road Improvements-2015	0.00%	50,000	7/1/2035
OPWC Loan-Hadlock Ford-2016	0.00%	100,000	1/1/2037
Phone System Promissory Note	1.75%	375,000	11/5/2023
Safety and Emergency System G.O. Bonds-2017	1.75%	900,000	9/5/2022
Dump Truck Loan-2018	2.50%	229,405	7/5/2021
Mack Truck Loan-2019	3.05%	240,000	4/1/2023
Energy Conservation - Lease Purchase Agreement	3.25%	5,195,220	12/1/2033
Private Activity Bond - Cook Road Improvement - 2006	7.00%	92,000	10/5/2026
Business-Type Activities:			
Revenue Bonds-Water System Acquisition Bonds-2005	3.97%	5,311,000	6/1/2035
Lodge & Conference Center Refunding Bonds-2013	2.0% - 4.0%	5,950,000	12/1/2024
OWDA Loan-Rome Rock Creek-2000	2.00%	359,259	7/1/2021
OWDA Loan-North Bend Sewer-2000	5.77%	196,919	7/1/2020
OWDA Loan-AshCraft Wastewater-2001	3.64%	761,353	7/1/2022
OWDA Loan-Water System #1-2004	4.34%	13,220,039	7/1/2033
OWDA Loan-Olive Drive Sewer	3.85%	79,013	7/1/2023
OWDA Loan-Waterline Construction	4.48%	1,131,604	7/1/2025
OWDA Loan-Waterline Extension 2005	4.00%	117,783	7/1/2025
OWDA Loan-Waterline Extension 2006	4.00%	459,849	7/1/2037
OWDA Loan-Austinburg Sanitary Sewers 2010	4.97%	293,321	7/1/2031
OWDA Loan-GOTL S.R. 531 Waterline Replace 2019*	2.92%	*	1/1/2040
OWDA Loan-Coffee Creek WWTP Improv. 2019*	0.00%	*	7/1/2026
OWDA Loan-Harpersfield Water Tower 2020*	2.17%	*	1/1/2026
OPWC Loan-Driftwood Sanitary Sewer-2000	0.00%	316,704	1/1/2022
OPWC Loan-Lake Road Waterline Replacement-2003	0.00%	249,415	7/1/2024
OPWC Loan-Geneva Area Lake Road Waterline-2005	0.00%	72,006	1/1/2027
OPWC Loan-Saybrook Water Tank Improvement-2005	0.00%	326,288	7/1/2023
OPWC Loan-Jone/Perry/N. Market Waterline-2005	0.00%	164,363	1/1/2029
OPWC Loan-Ashtabula County Water System-2007	0.00%	349,998	7/1/2028
OPWC Loan-Generator Replacement Project-2010	0.00%	29,153	7/1/2030
OPWC Loan-S.R. 534 Pump Station Replacement-2011	0.00%	38,296	7/1/2033
OPWC Loan-Sanitary/Water Systems Upgrades-2014	0.00%	55,887	1/1/2036
OPWC Loan-Meadwood WWTP-2016	0.00%	330,300	7/1/2036
OPWC Loan-GOTL - Old Lake/534 Waterline Imp.	0.00%	102,650	7/1/2038
OPWC Loan-Holiday Camplands WWTP Imp.	0.00%	77,318	7/1/2038
OPWC Loan-Meadowood Sanitary Improvements	0.00%	82,571	1/1/2039
OPWC Loan-Waterline Replacement/Lift Station	0.00%	50,696	7/1/2039
OPWC Loan-S.R. 531 Waterline Replace. GOTL*	0.00%	*	*
OPWC Loan-Lift Station Improv./Sewer Repair*	0.00%	*	*
Equipment Loan	2.50%	420,671	7/1/2022

*Loan not finalized as of December 31, 2020

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Changes in the County's long-term obligations during 2020 were as follows:

	Outstanding 12/31/2019	Additions	(Reductions)	Outstanding 12/31/2020	Amounts Due In One Year
Governmental Activities:					
General Obligation Bonds:					
2020 Refunding Bonds	\$ -	\$ 13,810,000	\$ (210,000)	\$ 13,600,000	\$ 280,000
2013 Various Purpose & Refunding	14,125,000	-	(13,385,000)	740,000	740,000
Unamortized Premium	677,199	-	(623,225)	53,974	-
<i>Subtotal</i>	<u>14,802,199</u>	<u>13,810,000</u>	<u>(14,218,225)</u>	<u>14,393,974</u>	<u>1,020,000</u>
General Obligation Bonds (Unvoted):					
2017 Safety and Emergency System*	540,000	-	(180,000)	360,000	180,000
<i>Total General Obligation Bonds</i>	<u>15,342,199</u>	<u>13,810,000</u>	<u>(14,398,225)</u>	<u>14,753,974</u>	<u>1,200,000</u>
OPWC Loans:					
South Windsor Road Improvements*	38,750	-	-	38,750	3,750
State Road and Clay Street*	24,785	-	-	24,785	18,497
Hadlock Ford*	85,000	-	-	85,000	7,500
<i>Total OPWC Loans</i>	<u>148,535</u>	<u>-</u>	<u>-</u>	<u>148,535</u>	<u>29,747</u>
Other Long-Term Obligations:					
Cook Road Improvement (TIF)*	46,412	-	(5,490)	40,922	5,896
Dump Truck Loan*	114,703	-	(57,351)	57,352	57,352
Mack Trucks Loan*	240,000	-	(60,000)	180,000	60,000
Promissory Note*	214,286	-	(53,572)	160,714	53,571
Lease Purchase Agreement*	4,870,352	-	(279,746)	4,590,606	288,912
Claims Payable	244,642	57,905	(244,642)	57,905	57,905
Net Pension Liability	62,874,052	-	(20,659,874)	42,214,178	-
Net OPEB Liability	29,685,634	-	(440,694)	29,244,940	-
Compensated Absences	2,783,072	1,237,495	(974,075)	3,046,492	1,078,899
<i>Total Other Long-Term Obligations</i>	<u>101,073,153</u>	<u>1,295,400</u>	<u>(22,775,444)</u>	<u>79,593,109</u>	<u>1,602,535</u>
<i>Total Governmental Activities</i>	<u>\$ 116,563,887</u>	<u>\$ 15,105,400</u>	<u>\$ (37,173,669)</u>	<u>\$ 94,495,618</u>	<u>\$ 2,832,282</u>

* Direct borrowings

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	Outstanding 12/31/2019	Additions	(Reductions)	Outstanding 12/31/2020	Amounts Due In One Year
Business-Type Activities:					
<i>Revenue Bonds (Self-Supporting):</i>					
Water System Acquisition Bonds	\$ 3,499,000	\$ -	\$ (169,000)	\$ 3,330,000	\$ 173,000
Lodge & Conference Center Refunding	2,760,000	-	(585,000)	2,175,000	605,000
Unamortized Premium	184,772	-	(37,581)	147,191	
<i>Total Revenue Bonds</i>	6,443,772	-	(791,581)	5,652,191	778,000
<i>OWDA Loans - direct borrowing:</i>					
Rome Rock Creek	32,179	-	(21,346)	10,833	10,833
North Bend Sewer	8,127	-	(8,127)	-	-
AshCraft Wastewater	127,745	-	(49,720)	78,025	51,547
Harpersfield Water Tower	-	62,455	-	62,455	-
Water System #1	8,027,059	-	(448,385)	7,578,674	468,056
Olive Drive Sewer	18,502	-	(5,037)	13,465	5,233
Water Line Construction	403,394	-	(66,227)	337,167	69,227
Waterline Extension - 2005	36,808	-	(6,110)	30,698	6,357
Waterline Extension - 2006	256,817	-	(10,452)	246,365	10,865
Austinburg Sanitary Sewers 2010	136,652	-	(11,883)	124,769	11,883
GOTL S.R. 531 Waterline Replacement	310,724	-	(11,633)	299,091	-
Coffee Creek WWTP Improvements	8,774	26,059	-	34,833	-
<i>Total OWDA Loans</i>	9,366,781	88,514	(638,920)	8,816,375	634,001
<i>OPWC Loans - direct borrowing:</i>					
Driftwood Road	31,671	-	(15,835)	15,836	15,836
Lake Road Waterline	56,117	-	(12,471)	43,646	12,470
Geneva Area Lake Road Waterline	25,203	-	(3,601)	21,602	3,600
Saybrook Water Tank Improvement	76,134	-	(21,753)	54,381	21,753
Jones/Perry/N. Market St. Waterline	73,965	-	(8,218)	65,747	8,218
Ashtabula County Water System	148,748	-	(17,500)	131,248	17,500
Generator Replacement Project	15,306	-	(1,458)	13,848	1,458
S.R. 534 Pump Station Replacement	25,850	-	(1,915)	23,935	1,915
Sanitary/Water Systems Upgrade	44,709	-	(2,794)	41,915	2,795
Meadowood WWTP	272,498	-	(16,515)	255,983	16,515
GOTL-Old Lake/534 Waterline Imp.	97,518	-	(7,699)	89,819	5,132
Holiday Camplands WWTP Imp.	71,519	-	(3,866)	67,653	3,866
Meadowood Sanitary Imp.	78,442	-	(4,129)	74,313	4,129
Waterline Replacement/Lift Station Reh	49,429	-	(2,535)	46,894	2,535
S.R. 531 Waterline Replacement GOTL	93,334	-	-	93,334	-
Lift Station Imp. and Sewer Repair	17,758	4,553	-	22,311	-
<i>Total OPWC Loans</i>	1,178,201	4,553	(120,289)	1,062,465	117,722
<i>Other Long-Term Obligations:</i>					
Net Pension Liability	1,946,954	-	(620,275)	1,326,679	-
Net OPEB Liability	919,831	-	(741)	919,090	-
Equipment loan - direct borrowing	252,403	-	(84,134)	168,269	84,134
Compensated Absences	63,493	38,819	(22,222)	80,090	28,031
<i>Total Other Long-Term Obligations</i>	3,182,681	38,819	(727,372)	2,494,128	112,165
<i>Total Business-Type Activities</i>	\$ 20,171,435	\$ 131,886	\$ (2,278,162)	\$ 18,025,159	\$ 1,641,888

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General obligation bonds are direct obligations of the County and will be paid from the general bond retirement debt service fund using property tax revenues. The Ohio Public Works Commission (OPWC) loans will be paid from a special revenue fund using gasoline tax revenue.

On May 7, 2013, the County issued \$18,395,000 refunding and various purpose improvement (series 2013 Jobs & Family Services) bonds, of which \$2,000,000 was issued for the purpose of constructing, improving and remodeling two buildings that will house Job and Family services personnel and functions. \$11,310,000 was issued for the purpose of currently refunding the outstanding balance of the 2012 lodge and conference center notes, the 2010 various purpose improvement bonds, the 2003 nursing home improvement bonds and the 2000 4-H building bonds. The County deposited bond proceeds and other local and available monies in the amount of \$11,701,935 in the general obligation bond retirement fund which were used to redeem these obligations within 30 days of the refunding transaction.

In addition to the current refunding, the refunding bond proceeds were used to advance refund \$5,085,000 of the \$11,290,000 outstanding 2005 taxable economic development revenue bonds. \$5,389,333 was placed in escrow with Huntington National Bank and used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with Huntington to provide for all future debt service payments on the 2005 bonds. As a result this portion of the 2005 taxable economic development revenue bonds are considered defeased and the liability for those bonds has been removed from County's statement of net position.

The reacquisition price exceeded the net carrying value of the old debt by \$340,076. This amount is being amortized against interest expense over the life of the refunding bonds. The unamortized balance of the deferred charge on debt refunding is reported as a deferred outflow of resources on the government-wide financial statements.

The series 2013 refunding and various purpose improvement bonds were issued at a premium of \$1,001,606, bear annual interest ranging from 2.0 to 4.0 percent and mature December 1, 2033. After the series 2020 refunding (discussed below), the unrefunded series 2013 bonds mature on December 1, 2021. Principal payments are due December 1 of each year and interest payments due June 1 and December 1 of each year. Payment is made from the general obligation bond retirement fund. The bonds are considered unvoted general obligation debt of the County payable from County ad valorem property taxes.

On October 15, 2020, the County issued \$13,810,000 (series 2020 refunding bonds) to advance refund the callable portion of the 2013 refunding and various purpose improvement bonds. The refunded portions of the series 2013 bonds included portions of the serial bonds and all of the term bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The series 2020 refunding bonds issuance proceeds of \$13,589,737 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The principal balance outstanding of the defeased bonds was \$12,660,000 at December 31, 2020.

The series 2020 refunding issue is comprised of serial bonds, par value \$13,810,000. The interest rate on the series 2020 bonds ranges from 0.493% - 1.90%. Principal payments are due December 1 of each year and interest payments on the series 2020 bonds are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2031. The bonds will be retired through the general obligation bond retirement fund.

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The reacquisition price exceeded the net carrying amount of the old debt by \$524,972. This amount is being amortized against interest expense over the life of the refunding bonds. The unamortized balance of the deferred charge on debt refunding is reported as a deferred outflow of resources on the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments by \$1,088,827 and resulted in an economic gain of \$912,545.

On September 29, 2017, the County issued \$900,000 in general obligation bonds. The proceeds of these bonds are to improve and upgrade the County's 9-1-1 emergency response system. These bonds bear an interest rate of 1.75% and mature on September 5, 2022.

The Cook Road Improvement loan will be paid from contributions of property owners.

The Dump Truck loan will be repaid from the motor vehicle and gas tax fund.

The Mack Trucks loan will be repaid from the motor vehicle and gas tax fund.

During 2019, the County entered into a lease purchase agreement with Huntington Public Capital Corporation to finance energy conservation improvements in various County buildings. The proceeds of this agreement total \$5,195,220 and bear an interest rate of 3.25%. This agreement matures on December 1, 2033.

The sewer district improvement revenue bonds, water system acquisition bonds, Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans will be paid from revenues derived by the County from the operation of the sewer and water funds.

On May 22, 2013, the County issued \$5,950,000 non-tax revenue refunding bonds for the purpose of advance refunding the remaining outstanding balance of the 2004 taxable economic development revenue bonds. \$5,697,256 was placed in escrow with Huntington National Bank and used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with Huntington to provide for all future debt service payments on the bonds. As a result the remaining portion of the 2004 taxable economic development revenue bonds are considered defeased and the liability for those bonds has been removed from County's statement of net position.

The reacquisition price exceeded the net carrying value of the old debt by \$124,757. This amount is being amortized against interest expense over the life of the refunding bonds. The unamortized balance of the deferred charge on debt refunding is reported as a deferred outflow of resources on the government-wide financial statements and the statement of fund net position of proprietary funds.

The Series 2013 non-tax revenue refunding bonds were issued at a premium of \$432,178, bear annual interest ranging from 2.0 to 4.0 percent and mature December 1, 2024. Proceeds of the refunding bonds are reported in the Geneva State Park Lodge fund with principal payments due December 1 of each year and interest payments due June 1 and December 1 of each year. The Bonds are considered special obligations of the County and are payable from income derived from the Lodge first but may also be paid with other non-tax revenues of the County.

Prior Optional Redemption - The bonds maturing on or after December 1, 2022 are subject to prior redemption on or after June 1, 2022 by and at the sole option of the County, either in whole or in part, on any date in integral multiples of \$5,000, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date.

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Compensated absences reported in the “compensated absences payable” account will be paid from the fund from which the employees’ salaries are paid. These funds include, but are not limited to, the general fund, motor vehicle and gas tax, dog and kennel, public assistance, children services, child support enforcement, real estate assessment, solid waste planning, board of developmental disabilities, nursing home, community corrections placement, youth services, delinquent real estate tax assessment collection, special probation, mental health and recovery services board, court special projects, emergency management agency, emergency 911 calling, drug task force, Ohio crime victims, certificate of title administration, sewer district, and water district.

The County’s net pension liability and net OPEB liability are discussed in Notes 14 & 15, respectively.

The following is a summary of the County’s future annual principal and interest requirements to retire governmental activities long-term obligations:

Year	General Obligation Bonds		Lease Purchase Agreement		Other Long-Term Obligations		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2021	\$ 1,200,000	\$ 212,569	\$ 288,912	\$ 146,866	\$ 176,819	\$ 12,363	\$ 29,747
2022	1,210,000	178,299	298,377	137,400	119,894	7,556	13,788
2023	765,000	168,526	308,154	127,624	120,350	4,331	7,500
2024	1,155,000	162,620	318,250	117,528	7,265	1,312	7,500
2025	1,735,000	151,855	328,677	112,356	7,516	783	7,500
2026 - 2030	8,030,000	416,750	1,812,149	366,739	7,144	223	37,500
2031 - 2035	605,000	11,495	1,236,087	71,247	-	-	37,500
2036 - 2037	-	-	-	-	-	-	7,500
Total	<u>\$ 14,700,000</u>	<u>\$ 1,302,114</u>	<u>\$ 4,590,606</u>	<u>\$ 1,079,760</u>	<u>\$ 438,988</u>	<u>\$ 26,568</u>	<u>\$ 148,535</u>

The following is a summary of the County’s future annual principal and interest requirements to retire business-type activities obligations:

Year	Non-tax Refunding Bonds		Revenue Bonds		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2021	\$ 605,000	\$ 87,000	\$ 173,000	\$ 130,514	\$ 634,001	\$ 324,569	\$ 117,722
2022	630,000	62,800	181,000	123,566	622,660	300,285	101,885
2023	650,000	37,600	187,000	116,321	618,969	276,280	91,009
2024	290,000	11,600	197,000	108,798	642,718	251,802	73,895
2025	-	-	203,000	100,917	624,885	226,304	67,662
2026 - 2030	-	-	1,147,000	375,622	3,297,432	761,668	262,994
2031 - 2035	-	-	1,242,000	16,524	1,949,867	98,420	179,641
2036 - 2039	-	-	-	-	29,464	1,162	52,012
Total	<u>\$ 2,175,000</u>	<u>\$ 199,000</u>	<u>\$ 3,330,000</u>	<u>\$ 972,262</u>	<u>\$ 8,419,996</u>	<u>\$ 2,240,490</u>	<u>\$ 946,820</u>

Year	Equipment Loan	
	Principal	Interest
2021	\$ 84,134	\$ 4,207
2022	84,135	2,103
Total	<u>\$ 168,269</u>	<u>\$ 6,310</u>

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The County has entered into contractual agreements for construction loans from the Ohio Water Development Authority (OWDA). Under the terms of these agreements, OWDA will reimburse, advance, or directly pay the construction costs of the approved projects. OWDA will capitalize administrative costs and construction interest and then add them to the total amounts of the final loans.

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 1 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 3 percent of the first \$100,000,000 of the assessed valuation, plus 1 ½ percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2 ½ percent of such valuation in excess of \$300,000,000.

At December 31, 2020, the County had an unvoted debt margin of \$34,980,753, and a direct debt margin of \$8,084,458.

The County has pledged future sewer district revenues, net of specified operating expenses, to repay OPWC loans and OWDA loans. Proceeds from the loans have provided financing of improvement and replacement of multiple wastewater lines and to the treatment plants. The debt is payable solely from net revenues and is payable through 2039. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$688,949. Principal and interest paid and total net revenues for the current year were \$123,635 and \$494,572, respectively.

The County has pledged future water district revenues, net of specified operating expenses, to repay revenue bonds, OPWC loans and OWDA loans. Proceeds from the bonds provided financing for the purchase of the water system from a private enterprise. Proceeds from the loans have provided financing of improvement, replacement, or extension, of many water lines throughout the service area. The debt is payable solely from net revenues and is payable through 2038. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues in future years. The total principal and interest remaining to be paid on the debt is \$15,330,619. Principal and interest paid and total net revenues for the current year were \$1,304,752 and \$2,123,436, respectively.

The County has pledged all future Geneva State Park lodge revenues, net of specified operating expenses, to repay the nontax revenue refunding bonds. In addition to the pledged operating revenues, a 2 percent bed tax levied by the Ashtabula County Convention and Facilities Authority. Further, up to two-thirds of the County's real estate transfer tax revenue received by the general fund can be used to repay the debt. Proceeds from the original bonds provided financing for the construction of the building and start-up of the business. The refunding bonds are payable through 2024. Annual principal and interest payments on the debt issues are expected to require 100 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,374,000. Principal and interest paid and total net revenues for the current year were \$689,550 and \$625,707, respectively.

Direct borrowings are borrowings that have terms negotiated directly between the County and the lender and are not offered for public sale. In the event of default, the lender may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default.

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Conduit Debt Obligations From time to time, the County has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, there were no industrial revenue bonds outstanding.

NOTE 18: LOAN PAYABLE

The 503 Corporation has a loan payable to the U.S. Department of Agriculture through the Farmers Home Administration (FMHA). The total loan is for \$750,000. The loan is for the purpose of a re-lending program in accordance with certain standards established by the FMHA. This loan is collateralized with loans made with these funds and other assets.

In the current year, the loan payment included \$29,078 of principal and \$1,480 interest paid. The following summary is of the 503 Corporation's future annual principal and interest requirements to retire the FMHA long-term obligations:

Year	FHMA Loan		
	Principal	Interest	Total
2021	\$29,368	\$1,480	\$30,848
2022	29,662	1,186	30,848
2023	29,959	889	30,848
2025	59,237	590	59,827
Total	<u>\$148,226</u>	<u>\$4,145</u>	<u>\$152,371</u>

NOTE 19: INTERFUND TRANSFERS AND BALANCES

A. *Interfund Transfers*

Interfund transfers for the year ended December 31, 2020, consisted of the following:

Transfers To	Transfers From				Totals
	General	Public Assistance	Nursing Home	Other Governmental Funds	
Governmental					
Public Assistance	\$ -	\$ -	\$ -	\$ 1,158,689	\$ 1,158,689
Nursing Home	-	-	-	37,500	37,500
Other Governmental Funds	2,130,013	316,857	203,214	315,753	2,965,837
Total Governmental	2,130,013	316,857	203,214	1,511,942	4,162,026
Proprietary					
Internal Service	256,500	-	-	-	256,500
Total Proprietary	256,500	-	-	-	256,500
Total	<u>\$ 2,386,513</u>	<u>\$ 316,857</u>	<u>\$ 203,214</u>	<u>\$ 1,511,942</u>	<u>\$ 4,418,526</u>

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The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations. The transfer from the nursing home fund to the bond retirement fund was made for the payment of debt.

B. Interfund balances

Interfund balances consisted of the following at December 31, 2020, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 137,965
Nonmajor governmental funds	General fund	12,531
Total interfund loans		<u>\$ 150,496</u>

All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statement.

NOTE 20: RELATED ORGANIZATIONS

A. Ashtabula County District Library

The Ashtabula County Commissioners are responsible for appointing a voting majority of the Ashtabula County District Library Board; however, the County cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden on the County. The County serves in a ministerial capacity as the taxing authority for the Library. Once the Library determines to present a levy to the voters, including the determination of its rate and durations, the County must place the levy on the ballot. The Library determines its own budget. The Library did not receive any funding from the County during 2020.

B. Ashtabula County Metroparks

The Probate Judge of the County appoints the three Park District Commissioners. The District hires and fires staff, and does not rely on the County to finance deficits. The County is not financially accountable for the District nor is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority and is a related organization of the County.

NOTE 21: JOINTLY GOVERNED ORGANIZATIONS

A. Northeast Ohio Community Alternative Program Facility

The Northeast Ohio Community Alternative Program Facility (NEOCAP) is a community based corrections facility that provides residents of the facility educational, vocational, substance abuse and support counseling services. The facility is administered by a Judicial Corrections Board consisting of seven common pleas court judges. The members consist of two judges each from Trumbull and Lake Counties, and one judge from Ashtabula, Geauga and Portage Counties. The Board adopts its own budget, authorizes expenditures, and hires and fires its own staff. Funding comes from the State of Ohio.

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B. Family and Children First Council

The Family and Children First Council provides services to multi-need youth in Ashtabula County. Members of the Council include Ashtabula County Board of Developmental disabilities, Mental Health Board, Ashtabula Area City School District, Ashtabula County Children Services Board, Ashtabula County Board of Health, Ohio Department of Youth Services, Ashtabula County Common Pleas Court, Ashtabula County Human Services, Western Reserve Care System, Ashtabula County Educational Service Center and Ashtabula County Mental Health Resources Board. The operation of the Council is controlled by an advisory committee which consists of a representative from each agency. Funding comes from each of the participants. The advisory committee exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each representative's degree of control is limited to its representation on the committee. In 2020, the County did not contribute to the Family and Children First Council.

C. Northeast Ohio Consortium Council of Governments (NOC COG)

NOC COG provides for implementation of a local workforce investment system to comply with the Workforce Investment Act. The NOC COG board consists of thirty-three members, eleven from each participating County. The operation of the council is controlled by an advisory committee, which consists of a representative from each agency. Funding comes from each of the participants. NOC COG, which is a private not-for-profit entity with a status as a 501(c)(3) organization, functions as the fiscal agent. The Board of Trustees for NOC COG is appointed by the Board of County Commissioners of each county.

D. Heartland East Administrative Services Center (Heartland)

Heartland is a seven-county consortium of Mental Health and Recovery Boards brought together to provide shared services for the purpose of managing ODMH/ODADAS MACSIS related tasks, the multi-agency community services information system. The county board members include: Stark County Community Mental Health Board, Ashtabula County Mental Health and Recovery Services Board, Columbiana County Mental Health and Recovery Services Board, Mental Health and Recovery Services Board of Portage County, Multi-County Mental Health District (Wayne and Holmes Counties) and Alcohol & Drug Addiction Service Board of Stark County. Complete financial statements may be obtained from Heartland Services 800 Market Avenue North Canton, Ohio 44702.

E. North East Ohio Network (N.E.O.N.)

N.E.O.N. is a council of governments formed to provide a regional effort in administering, managing and operating programs for certain individuals with developmental disabilities. Participating counties include Portage, Trumbull, Columbiana, Geauga, Lake, Mahoning, Medina, Ashtabula, Lorain, Summit, Wayne and Stark Counties. N.E.O.N. operation is controlled by their board which is comprised of the superintendent's of Developmental Disabilities schools of each participating County. N.E.O.N. adopts its own budget, authorized expenditures and hires and fires its own staff. During 2020, the County Board of Developmental Disabilities contributed \$2,025,610.

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F. EASTGATE Regional Council of Governments

The EASTGATE Regional Council of Governments is a jointly governed organization created under the provisions of Chapter 167, Ohio Revised Code. EASTGATE is organized as a voluntary organization of local government subdivisions in Ashtabula, Columbiana, Mahoning and Trumbull counties. Each of the participating counties has equal representation and no financial responsibility. EASTGATE's purpose is to foster a cooperative effort in regional planning, programming, and the implementation of regional plans and programs. It is a forum for the discussion and study of common problems of a regional nature and for the development of policy and action recommendations relating thereto. The County paid membership dues totaling \$37,804 in 2020. Financial statements can be obtained from the EASTGATE Regional Council of Governments, 5121 Mahoning Ave., Austintown, Ohio 44515.

NOTE 22: CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

Several claims and lawsuits are pending against the County. In the opinion of the Management and County Prosecutor that the ultimate disposition of these claims will not have a material effect, if any, on the financial condition of the County.

NOTE 23: TAX ABATEMENTS

As of December 31, 2020, the County provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

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

The County has entered into agreements to abate property taxes through the Ezone program. During 2020, 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	\$ 658

The County has entered into agreements to reduce property taxes through the CRA program. During 2020, 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>
CRA	\$ 11,180

The County incurs a reduction in property taxes by agreements entered into by other governments that reduce the County's taxes. The County's property taxes were reduced by the CRA programs mentioned above that were entered into by other governments. During 2020, the County's property tax revenues were reduced under agreements entered into by other governments as follows:

<u>Government Entering Into Agreement</u>	<u>Tax Abatement Program CRA</u>
City of Ashtabula	\$ 13,160
City of Conneaut	10,419
Village of Andover	1,204
Village of Geneva on the Lake	217
Village of Orwell	1,144
Total	<u>\$ 26,144</u>

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NOTE 24: 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	Motor Vehicle & Gas Tax	Public Assistance	Children Services
Nonspendable:				
Materials and supplies	\$ -	\$ 193,541	\$ -	\$ -
Prepays	134,750	-	-	-
Loans	-	-	-	-
Unclaimed monies	610,130	-	-	-
Total nonspendable	744,880	193,541	-	-
Restricted:				
Public assistance/human services	-	-	684,269	-
Roads & bridges	-	3,219,828	-	-
Health programs	-	-	-	-
Judicial/public safety programs	-	-	-	-
Economic development	-	-	-	-
Children's services	-	-	-	5,299,910
General government operations	-	-	-	-
Lodge	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Total restricted	-	3,219,828	684,269	5,299,910
Committed:				
Debt service	-	-	-	-
Economic development	1,337,141	-	-	-
Board of elections	74,271	-	-	-
Budget stabilization	5,000,000	-	-	-
Total committed	6,411,412	-	-	-
Assigned:				
Encumbrances	253,415	-	-	-
Subsequent year's appropriations	1,659,167	-	-	-
Other purposes	95,828	-	-	-
Total assigned	2,008,410	-	-	-
Unassigned (deficit)	4,360,299	-	-	-
Total fund balances	\$ 13,525,001	\$ 3,413,369	\$ 684,269	\$ 5,299,910

- Continued

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Fund balance	County Board of DD	Nursing Home	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies	\$ -	\$ 48,729	\$ -	\$ 242,270
Prepays	-	-	-	134,750
Loans	-	-	1,220,804	1,220,804
Unclaimed monies	-	-	-	610,130
Total nonspendable	-	48,729	1,220,804	2,207,954
Restricted:				
Public assistance/human services	-	2,269,481	5,757,967	8,711,717
Roads & bridges	-	-	-	3,219,828
Health programs	12,954,539	-	1,362,107	14,316,646
Judicial/public safety programs	-	-	5,473,722	5,473,722
Economic development	-	-	2,152,601	2,152,601
Children's services	-	-	-	5,299,910
General government operations	-	-	3,105,504	3,105,504
Lodge	-	-	168,723	168,723
Capital projects	-	-	3,496,539	3,496,539
Other purposes	-	-	459,570	459,570
Total restricted	12,954,539	2,269,481	21,976,733	46,404,760
Committed:				
Debt service	-	-	869,014	869,014
Economic development	-	-	-	1,337,141
Board of elections	-	-	-	74,271
Budget stabilization	-	-	-	5,000,000
Total committed	-	-	869,014	7,280,426
Assigned:				
Encumbrances	-	-	-	253,415
Subsequent year's appropriations	-	-	-	1,659,167
Other purposes	-	-	-	95,828
Total assigned	-	-	-	2,008,410
Unassigned (deficit)	-	-	(26,266)	4,334,033
Total fund balances	\$ 12,954,539	\$ 2,318,210	\$ 24,040,285	\$ 62,235,583

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NOTE 25: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The County's investment portfolio and the pension and other employee benefits plan in which the County participates fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the County received CARES Act funding. Of the amounts received, \$950,029 was sub-granted to other governments and organizations. These amounts are reflected as legislative and executive expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

NOTE 26: NORTHEAST OHIO REGIONAL AIRPORT- COMPONENT UNIT

A. Description of Northeast Ohio Regional Airport and Reporting Entity

The Airport

The Northeast Ohio Regional Airport (the Airport) was created by resolution of the Ashtabula County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport is governed by a nine-member board of trustees appointed by the County Commissioners. The Board of Trustees 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 Ashtabula 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 account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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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, deferred outflows of resources, liabilities and deferred inflows of resources are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., 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 uses the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred. Unbilled service charges are recognized as revenue at year end.

Non-exchange transactions, in which the Airport receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Airport must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Airport on a reimbursement basis.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before eligibility requirements are met are also recorded as a deferred inflow of resources. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes 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 Airport, deferred outflows of resources are reported on the statement of net position for pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes 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 Airport, deferred inflows of resources were reported for pension and OPEB.

2. Cash and Cash Equivalents

The Airport maintains interest bearing depository accounts. All funds of the Airport are maintained in these accounts and are presented in the statement of net position as "Cash and Cash Equivalents." The Airport has no investments.

The Airport has a segregated bank account for money held separate from the Airport's central bank accounts for donations related to the terminal building project. This account is presented as "Cash and Cash Equivalents: Segregated Accounts" since it is not required to be deposited into the Airport treasury.

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general operating fund during 2020 amounted to \$222.

3. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

4. Fuel Inventory

Inventory consists of two types of aviation fuel for sale to customers and is stated at cost, which is determined on a first-in, first-out basis. The cost of inventory is recorded as an expense when sold or used.

5. Capital Assets

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 acquisition values as of the date received. The Airport maintains a capitalization threshold of five thousand dollars.

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. All reported capital assets except land and construction in progress are depreciated. Depreciation in the enterprise fund is computed using the straight-line basis over the following estimated useful lives:

<u>Estimated Lives</u>	<u>Description</u>
25-40 years	Buildings and Improvements
25-40 years	Improvements other than buildings
5-10 years	Vehicles
3-20 years	Furniture and Equipment

6. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for debt service represents monies set aside for the repayment of debt.

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

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7. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Airport. Revenues and expenses which do not meet these definitions are reported as non-operating.

8. Pensions/Other Postemployment Benefits (OPEB)

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

9. Estimates

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

C. Change in Accounting Principles

For 2020, the Airport has implemented Governmental Accounting Standards Board (GASB) guidance from GASB Implementation Guide No. 2019-2, *Fiduciary Activities*. For 2020, the Airport also implemented GASB Implementation Guide No. 2018-1. These changes were incorporated in the Airport's 2020 financial statements; however, there was no effect on beginning net position/fund balance.

D. Deposits and Investments

The Airport follows the same statutory requirements for deposits and investments as the primary government (See Note 7).

At year-end, the Airport had \$705 in un-deposited cash on hand which is included on the financial statements of the Airport as part of "Cash and Cash Equivalents."

At year-end, the carrying amount of the Airport's deposits was \$221,659. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, all of the Airport's bank balance of \$234,441 was covered by the Federal Deposit Insurance Corporation.

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Custodial credit risk is the risk that, in the event of bank failure, the Airport will not be able to recover deposits or collateral securities that are in possession of an outside party. The Airport has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the Airport 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 rate set by the Treasurer of State. For 2020, the Airport's financial institutions participated in OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Airport to a successful claim by the FDIC.

E. Operating Lease Agreements

In prior years, the Airport entered into two operating lease agreements for hangar improvements. The hangar improvements were paid for by tenants in exchange for the free use of the hangars for an agreed upon number of years. When these hangar agreements expire, the assets will revert to the Airport and will be capitalized at their current fair market value. The Airport will recognize a gain or loss on the expired lease transactions, which is the difference between the leases receivable being carried on the Airport's statement of net position and the fair market value of the assets acquired.

F. Long-Term Debt

In 2005 the Airport issued revenue bonds where the government income derived from the constructed assets will be used to retire the debt. The interest rate on the revenue bonds is 4.125 percent and they are scheduled to mature in 2035. Changes in the long-term obligations during 2020 were as follows:

	Amount Outstanding 12/31/19	Additions	Reductions	Amount Outstanding 12/31/20	Amount Due in One Year
Business-Type Activities:					
Revenue Bonds	\$ 948,078	\$ -	\$ -	\$ 948,078	\$ 81,000
Net Pension Liability	193,359	938	-	194,297	-
Net OPEB Liability	85,788	40,597	-	126,385	-
<i>Total Business-Type Activities</i>	<u>\$ 1,227,225</u>	<u>\$ 41,535</u>	<u>\$ -</u>	<u>\$ 1,268,760</u>	<u>\$ 81,000</u>

The Airport did not make its annual principal and interest payment this year because it is not obligated to do so unless operating revenues exceed maintenance and operating expenses.

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The annual requirements to retire this debt are as follows:

Year	2005 Revenue Bonds		
	Principal	Interest	Total
2021	\$ 81,000	\$ 83,338	\$ 164,338
2022	43,100	39,146	82,246
2023	44,800	37,368	82,168
2024	46,700	35,520	82,220
2025	48,600	33,594	82,194
2026 - 2030	285,100	136,199	421,299
2031 - 2035	325,900	74,658	400,558
2036	72,878	6,386	79,264
Total	<u>\$ 948,078</u>	<u>\$ 446,209</u>	<u>\$ 1,394,287</u>

On September 12, 2019, the Board of Directors passed a resolution approving the Airport to omit the annual principal and interest payment on its outstanding revenue bond because the cost to operate and maintain the Airport exceeded its operating revenues. The Airport is not obligated to make Bond Debt Service payments unless operating revenues exceed maintenance and operating expenses.

G. Defined Benefit Pension Plans

Like the primary government, the Airport participates in the Ohio Public Employees Retirement System (OPERS); see Note 14.

The Airport's contractually required contribution was \$19,602 for 2020.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was based on the Airport'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:

	<u>OPERS</u>
Proportion of the net pension liability prior measurement date	0.00070600%
Proportion of the net pension liability current measurement date	<u>0.00098300%</u>
Change in proportionate share	<u>0.00027700%</u>
Proportionate share of the net pension liability	\$ 194,297
Pension expense	47,058

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At December 31, 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>
Deferred outflows of resources	
Changes of assumptions	\$ 10,377
Changes in proportionate share and difference between Airport contributions and proportionate share of contributions	35,740
Airport contributions subsequent to the measurement date	<u>19,602</u>
Total deferred outflows of resources	<u><u>\$ 65,719</u></u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 2,456
Net difference between projected and actual earnings on pension plan investments	38,760
Changes in proportionate share and difference between Airport contributions and proportionate share of contributions	<u>23,344</u>
Total deferred inflows of resources	<u><u>\$ 64,560</u></u>

\$19,602 reported as deferred outflows of resources related to pension resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2021	\$ (4,904)
2022	245
2023	1,607
2024	<u>(15,391)</u>
Total	<u><u>\$ (18,443)</u></u>

The actuarial assumptions used by OPERS are discussed in Note 14.

Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Airport's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Airport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

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	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Airport's proportionate share of the net pension liability	\$ 320,458	\$ 194,297	\$ 80,881

H. Other Postemployment Benefits (OPEB)

Like the primary government, the Airport participates in the Ohio Public Employees Retirement System (OPERS); see Note 15.

The Airport's contractually required contribution was \$0 for 2020.

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

The net OPEB liability was measured as of December 31, 2019 and the total OPEB liability used to calculate the new OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019 by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Airport's proportion of the net OPEB liability was based on the Airport's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.00065800%
Proportion of the net OPEB liability current measurement date	<u>0.00091500%</u>
Change in proportionate share	<u>0.00025700%</u>
Proportionate share of the net OPEB liability	\$ 126,385
OPEB expense	21,960

At December 31, 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>OPERS</u>
Deferred outflows of resources	
Differences between expected and actual experience	\$ 3
Changes of assumptions	20,004
Changes in proportionate share and difference between Airport contributions and proportionate share of contributions	<u>20,468</u>
Total deferred outflows of resources	<u><u>\$ 40,475</u></u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 11,559
Net difference between projected and actual earnings on pension plan investments	6,437
Changes in proportionate share and differences between Airport contributions and proportionate share of contributions	<u>15,227</u>
Total deferred inflows of resources	<u><u>\$ 33,223</u></u>

No amount reported as deferred outflows of resources related to OPEB resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2021	\$ 1,002
2022	8,995
2023	5
2024	<u>(2,750)</u>
Total	<u><u>\$ 7,252</u></u>

The actuarial assumptions used by OPERS are discussed in Note 15.

Sensitivity of the Airport's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Airport's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.96 percent, as well as what the Airport's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	<u>1% Decrease (2.96%)</u>	<u>Current Discount Rate (3.96%)</u>	<u>1% Increase (4.96%)</u>
Airport's proportionate share of the net OPEB liability	\$ 165,395	\$ 126,385	\$ 95,151

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Sensitivity of the Airport's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Airport's proportionate share of the net OPEB liability	\$ 122,656	\$ 126,385	\$ 130,067

I. Capital Assets

A summary of the Airport's capital assets at December 31, 2020 follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<i>Capital assets not being depreciated:</i>				
Land	\$ 693,478	\$ -	\$ -	\$ 693,478
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	2,947,787	-	-	2,947,787
Improvements other than Buildings	13,452,007	249,177	-	13,701,184
Vehicles	732,883	31,324	-	764,207
Furniture and Equipment	245,154	17,702	-	262,856
<i>Total capital assets being depreciated:</i>	<u>17,377,831</u>	<u>298,203</u>	<u>-</u>	<u>17,676,034</u>
<i>Less accumulated depreciation:</i>				
Buildings and Improvements	(849,301)	(75,508)	-	(924,809)
Improvements other than Buildings	(1,772,377)	(363,426)	-	(2,135,803)
Vehicles	(510,149)	(25,191)	-	(535,340)
Furniture and Equipment	(176,965)	(14,595)	-	(191,560)
<i>Total accumulated depreciation</i>	<u>(3,308,792)</u>	<u>(478,720)</u>	<u>-</u>	<u>(3,787,512)</u>
<i>Total capital assets being depreciated, net</i>	<u>14,069,039</u>	<u>(180,517)</u>	<u>-</u>	<u>13,888,522</u>
Total Capital Assets, Net	<u>\$ 14,762,517</u>	<u>\$ (180,517)</u>	<u>\$ -</u>	<u>\$ 14,582,000</u>

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J. Risk Management

The Airport maintains commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles, and
- Errors and omissions

Settled claims have not exceeded coverage in any of the last three years.

K. Contingent Liability

The Airport receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits may require refunding to grantor agencies. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements included herein or on the overall financial position of the Airport as of December 31, 2020.

L. Contributions and Donations

The Airport receives significant contributions and donations which help it to operate. During 2020, the Airport received \$110,000 from the County and \$426,655 from other donors.

M. Other Employee Benefits

Full time employees are eligible for one paid personal absence day annually which can be used for personal business. Employees are also eligible for five paid sick days, which can be used for illness or sickness. Employment anniversary dates are used in establishing eligibility. The banked liability has no value for time off or for payment of unused days upon termination. Therefore, there was no liability for accrued by unused personal or sick days as of December 31, 2020.

Full time employees are eligible for paid vacation time depending upon length of service. Vacation time may not be carried over to the following year unless, prior written approval from the Board is granted. Eligible employees will not be paid for any earned but unused vacation upon termination. Therefore, there was no liability for accrued but unused vacation days at December 31, 2020.

N. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Airport. The Airport's investment portfolio and the pension and other employee benefits plan in which the Airport participates fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Airport's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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NOTE 27: ASHTABULA COUNTY LAND REUTILIZATION CORPORATION - COMPONENT UNIT

A. Description of Ashtabula County Land Reutilization Corporation and Reporting Entity

The Ashtabula County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Ashtabula County on May 7, 2013 and incorporated on May 22, 2013 under Chapter 1724 of the Ohio Revised Code.

The Corporation's governing body is a seven-member Board of Directors, consisting of the County Treasurer, three County Commissioners, one city manager in the county, one realtor representative, and one member representing the townships with populations in excess of 10,000.

The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is classified as a component unit of Ashtabula County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

B. Summary of Significant Accounting Policies

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

1. Measurement Focus and Basis of Accounting

The Corporation's government-wide financial statements are prepared using a flow of economic resources measurement focus. Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. The Corporation uses the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred.

2. Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for taxing governmental entities.

3. Federal Income Tax

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

4. Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. During 2020, the Corporation invested in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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5. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. The transfer fees paid to the Ashtabula County Auditor for these abandoned properties are expensed in the year paid. The Corporation holds the properties until they are either sold or transferred to a private purchaser, non-profit, or public end-user. Properties may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for nominal cost. As of December 31, 2020, the Corporation held no parcels in trust.

6. Accrued Liabilities

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

7. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2020.

8. Intergovernmental Revenue

The Corporation received operating income through Ashtabula County. This money represents the penalties and interest on current unpaid and delinquent property taxes once the taxes are paid.

Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation.

9. Estimates

The preparation of the 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.

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items using the consumption method by recording current assets for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services were consumed.

11. Government Grants

Support funded by grants is recognized as the Corporation performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

C. Deposits and Investments

The Corporation follows the same statutory requirements for deposits and investments as the primary government (See Note 7).

At year-end, the carrying amount of the Corporation's deposits was \$782,527. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, \$250,000 of the Corporation's bank balance of \$782,527 was covered by the Federal Deposit Insurance Corporation. Although the deposits were held by the pledging financial institution's trust department and all statutory requirements for investments of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to custodial credit risk. Custodial credit risk is the risk that in the event of bank failure the Corporation's deposits may not be returned to it. All deposits are held in single qualified institutions.

Investments

Investments are reported at fair value. As of December 31, 2020, the Corporation had the following investments:

Measurement / Investment Type	Investment Maturities	
	Measurement Value	12 Months or Less
Amortized Cost:		
STAR Ohio	\$ 106,901	\$ 106,901
Total Investments	<u>\$ 106,901</u>	<u>\$ 106,901</u>

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and cash equivalents as reported on the statement of net position as of December 31, 2020:

Cash and Investments per Note Disclosure		Cash and Investments per Statement of Net Position	
Carrying amounts of deposits	\$ 782,527	Land Reutilization Corp.	\$ 889,428
Investments	106,901		
Total Investments	<u>\$ 889,428</u>	Total	<u>\$ 889,428</u>

Ashtabula County, Ohio
Notes to the Basic Financial Statements
December 31, 2020
(See Accountant's Compilation Report)

D. Risk Management

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Corporation contract with CORSA for various types of insurance.

Settled claims have not exceeded coverage in any of the last three years.

E. Transactions with Ashtabula County

Pursuant and in accordance with Section 321.261(B) of the Ohio Revised Code, the Corporation has been authorized by the Ashtabula County Board of Commissioners to receive 3.0% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent and Assessment Collection (DTAC) fund and will be available for appropriation by the Corporation to fund operations. For December 31, 2020, this amount totaled \$124,667.

Pursuant to a contract for services agreement approved by the Board of Directors, for December 31, 2020, the Corporation incurred \$67,142 to personnel and related charges to the Ashtabula County Treasurer's Office.

F. Litigation

The Corporation is not currently a party to any legal proceedings, which would have a material impact on the financial statements.

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Ashtabula County, Ohio
Required Supplementary Information
Condition Assessments of the County's Infrastructure
December 31, 2020
(See Accountant's Compilation Report)

The County reports its infrastructure of roads and bridges using the modified approach, whereby the County has elected not to depreciate these assets since they are managed using an asset management system with certain specified characteristics and the County documents that the assets are being preserved at, or above, a condition level it has established and disclosed. The following disclosures pertain to this condition assessment and budgeted and actual expenditure in 2020 for the preservation of these assets.

County Roads

The condition of road pavement is assessed by the County Engineer, by using an internal pavement management program, an effective method for calculating the condition of the various roadways in the County system. This program assigns a Pavement Condition Rating (PCR) number to each section of roadway based on physical inspection data collected. The PCR is comprised of various ratings of the individual elements of the structure and an overall ranking of between zero and one hundred is assigned.

It is the policy of the County Engineer that County roads be maintained at an average PCR of 60 to 65, and that a condition assessment for County roads is performed annually.

The following summarizes the results of the three most recent County Engineer's condition assessment of County roads:

2020		2019		2018	
Centerline Miles	Average PCR	Centerline Miles	Average PCR	Centerline Miles	Average PCR
347	70	347	70	347	71.6

The following is a comparison of the County budgeted and actual expenditures for preservation of existing roadways:

Year	Budgeted Expenditures	Actual Expenditures	Difference
2020	\$ 6,344,877	\$ 5,613,945	\$ 730,932
2019	5,738,104	5,398,404	339,700
2018	5,013,072	4,613,484	399,588
2017	4,878,372	4,231,850	646,522
2016	4,800,668	4,266,025	534,643
2015	4,946,971	4,348,206	598,765
2014	4,953,007	4,509,465	443,542
2013	4,860,716	4,385,553	475,163
2012	4,694,191	4,196,668	497,523
2011	4,871,000	4,448,094	422,906

Ashtabula County, Ohio
Required Supplementary Information
Condition Assessments of the County's Infrastructure
December 31, 2020
(See Accountant's Compilation Report)

County Bridges

The condition of the County's bridges is determined using a General Appraisal Rating which is a condition coding system developed by the Federal Highway Administration. The General Appraisal Rating is comprised of various ratings of the individual elements of the structure and an overall ranking of between zero and nine is assigned. The ranking is as follows:

<u>Numerical Ranking</u>	<u>Condition Ranking</u>
7 to 9	Good
5 to 6	Fair
3 to 4	Poor
0 to 2	Critical

It is the policy of the County Engineer that County bridges be maintained at an average condition ranking of 6 or better. In accordance with the Ohio Revised Code, each bridge is inspected annually.

The following summarizes the results of the three most recent condition assessments of County bridges and bridge culverts:

<u>2020</u>		<u>2019</u>		<u>2018</u>	
<u>Number of Bridges & Culverts</u>	<u>Average Condition Ranking</u>	<u>Number of Bridges & Culverts</u>	<u>Average Condition Ranking</u>	<u>Number of Bridges & Culverts</u>	<u>Average Condition Ranking</u>
921	7.6	917	7.5	916	7.6

Beginning in 2015, the County does not count any structure 36 inches or less.

The following is a comparison of the County budgeted and actual expenditures for preservation of existing bridges and bridge culverts:

<u>Year</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Difference</u>
2020	\$ 1,233,413	\$ 1,091,031	\$ 142,382
2019	2,339,297	2,180,956	158,341
2018	1,388,571	1,320,377	68,194
2017	1,439,478	1,123,777	315,701
2016	1,286,043	1,119,869	166,174
2015	1,442,984	1,280,921	162,063
2014	1,620,785	1,386,848	233,937
2013	1,497,267	1,384,979	112,288
2012	1,477,254	1,314,165	163,089
2011	1,355,850	1,004,786	351,064

Ashtabula County, Ohio

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 Seven Years
(See Accountant's Compilation Report)*

	2020	2019	2018	2017
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.230164%	0.245900%	0.250181%	0.246396%
County's proportionate share of the net pension liability	\$ 43,540,857	\$ 64,780,862	\$ 37,777,128	\$ 53,833,902
County's covered payroll	\$ 30,990,829	\$ 32,191,329	\$ 31,810,062	\$ 30,947,158
County's proportionate share of the net pension liability as a percentage of its covered payroll	140.50%	201.24%	118.76%	173.95%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.292290%	0.296936%	0.252769%	0.226356%
County's proportionate share of the net pension asset	\$ 583,334	\$ 319,389	\$ 331,200	\$ 121,213
County's covered payroll	\$ 1,250,857	\$ 1,215,329	\$ 1,004,346	\$ 881,100
County's proportionate share of the net pension asset as a percentage of its covered payroll	46.63%	26.28%	32.98%	13.76%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.133403%	0.161093%	0.167334%	0.160331%
County's proportionate share of the net pension asset	\$ 4,826	\$ 3,530	\$ 5,621	\$ 643
County's covered payroll	\$ 763,130	\$ 885,990	\$ 882,410	\$ 656,808
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.63%	0.40%	0.64%	0.10%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

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

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

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014
0.252483%	0.255711%	0.255711%
\$ 42,295,953	\$ 29,819,485	\$ 29,145,963
\$ 30,551,500	\$ 30,450,517	\$ 28,367,013
138.44%	97.93%	102.75%
81.08%	86.45%	86.36%
0.230850%	0.214598%	0.214598%
\$ 108,644	\$ 79,887	\$ 21,772
\$ 754,692	\$ 784,433	\$ 797,392
14.40%	10.18%	2.73%
116.90%	114.83%	104.56%
0.172613%	n/a	n/a
\$ 660	n/a	n/a
\$ 961,325	n/a	n/a
0.07%	n/a	n/a
103.91%	n/a	n/a

Ashtabula County, Ohio

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 Seven Years
(See Accountant's Compilation Report)*

	2020	2019	2018	2017
County's proportion of the net pension liability	0.00000000%	0.00018153%	0.00917285%	0.00886564%
County's proportionate share of the net pension liability	\$ -	\$ 40,144	\$ 2,016,904	\$ 2,106,052
County's covered-employee payroll	\$ -	\$ 597,664	\$ 950,264	\$ 932,629
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	6.72%	212.25%	225.82%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.30%	75.30%

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

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

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014
0.00865455%	0.00855031%	0.00855031%
\$ 2,896,939	\$ 2,363,056	\$ 1,999,921
\$ 934,936	\$ 885,993	\$ 754,185
309.85%	266.71%	265.18%
66.80%	72.10%	74.70%

Ashtabula County, Ohio

Schedules of Required Supplementary Information

*Schedule of County Contributions
Ohio Public Employees Retirement System (OPERS)*

*Last Ten Years
(See Accountant's Compilation Report)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 4,390,483	\$ 4,338,716	\$ 4,506,786	\$ 4,135,308
Contributions in relation to the contractually required contribution	<u>(4,390,483)</u>	<u>(4,338,716)</u>	<u>(4,506,786)</u>	<u>(4,135,308)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 31,360,593	\$ 30,990,829	\$ 32,191,329	\$ 31,810,062
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 181,660	\$ 175,120	\$ 170,146	\$ 130,565
Contributions in relation to the contractually required contribution	<u>(181,660)</u>	<u>(175,120)</u>	<u>(170,146)</u>	<u>(130,565)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,297,571	\$ 1,250,857	\$ 1,215,329	\$ 1,004,346
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 77,970	\$ 76,313	\$ 88,599	\$ 88,241
Contributions in relation to the contractually required contribution	<u>(77,970)</u>	<u>(76,313)</u>	<u>(88,599)</u>	<u>(88,241)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 779,700	\$ 763,130	\$ 885,990	\$ 882,410
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Note: Information prior to 2010 for the County's combined plan and prior to 2015 for the County's member directed plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Accompanying Notes to the Required Supplementary Information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 3,713,659	\$ 3,666,180	\$ 3,654,062	\$ 3,687,712	\$ 3,225,715	\$ 3,484,935
<u>(3,713,659)</u>	<u>(3,666,180)</u>	<u>(3,654,062)</u>	<u>(3,687,712)</u>	<u>(3,225,715)</u>	<u>(3,484,935)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 30,947,158	\$ 30,551,500	\$ 30,450,517	\$ 28,367,015	\$ 32,257,150	\$ 34,849,350
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 105,732	\$ 90,563	\$ 94,132	\$ 103,661		
<u>(105,732)</u>	<u>(90,563)</u>	<u>(94,132)</u>	<u>(103,661)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 881,100	\$ 754,692	\$ 784,433	\$ 797,392		
12.00%	12.00%	12.00%	13.00%		
\$ 78,817	\$ 115,359				
<u>(78,817)</u>	<u>(115,359)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 656,808	\$ 961,325				
12.00%	12.00%				

Ashtabula County, Ohio

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ 83,673	\$ 133,037
Contributions in relation to the contractually required contribution	-	-	(83,673)	(133,037)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ 597,664	\$ 950,264
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014	2013	2012	2011
\$ 130,568	\$ 130,891	\$ 124,039	\$ 98,044	\$ 100,405	\$ 144,925
(130,568)	(130,891)	(124,039)	(98,044)	(100,405)	(144,925)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 932,629	\$ 934,936	\$ 954,146	\$ 754,185	\$ 772,346	\$ 1,114,808
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

Ashtabula County, Ohio

Schedules of Required Supplementary Information

*Schedule of the County's Proportionate Share of
The Net OPEB Liability
Ohio Public Employees Retirement System (OPERS)*

*Last Four Years
(See Accountant's Compilation Report)*

	2020	2019	2018	2017
County's proportion of the net OPEB liability	0.228174%	0.244046%	0.246980%	0.241596%
County's proportionate share of the net OPEB liability	\$ 30,164,030	\$ 30,605,465	\$ 25,814,724	\$ 23,478,094
County's covered payroll	\$ 33,004,816	\$ 34,292,648	\$ 33,696,818	\$ 32,485,066
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	91.39%	89.25%	76.61%	72.27%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

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

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

See Accompanying Notes to the Required Supplementary Information

Ashtabula County, Ohio

Schedules of the Required Supplementary Information

*Schedule of the County's Proportionate Share of
The Net OPEB Liability/Asset
State Teachers Retirement System (STRS) of Ohio*

*Last Four Years
(See Accountant's Compilation Report)*

	2020	2019	2018	2017
County's proportion of the net OPEB liability (asset)	0.00000000%	0.00018153%	0.00917285%	0.00886564%
County's proportionate share of the net OPEB liability (asset)	\$ -	\$ (3,007)	\$ (147,000)	\$ 345,905
County's covered-employee payroll	\$ -	\$ 597,664	\$ 950,264	\$ 932,629
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.50%	15.47%	37.09%
Plan fiduciary net position as a percentage of the total OPEB liability	182.13%	174.70%	176.00%	47.10%

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

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

See Accompanying Notes to the Required Supplementary Information

Ashtabula County, Ohio

Schedules of the Required Supplementary Information

*Schedule of County OPEB Contributions
Ohio Public Employees Retirement System (OPERS)*

*Last Ten Years
(See Accountant's Compilation Report)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 31,188	\$ 30,525	\$ 35,440	\$ 371,788
Contributions in relation to the contractually required contribution	<u>(31,188)</u>	<u>(30,525)</u>	<u>(35,440)</u>	<u>(371,788)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 33,437,864	\$ 33,004,816	\$ 34,292,648	\$ 33,696,818
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	1.10%

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014	2013	2012	2011
\$ 682,509	\$ 613,225	\$ 630,627	\$ 317,634	\$ 1,269,911	\$ 2,375,435
(682,509)	(613,225)	(630,627)	(317,634)	(1,269,911)	(2,375,435)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 32,485,066	\$ 32,267,517	\$ 31,234,950	\$ 29,164,407	\$ 32,257,150	\$ 34,849,350
2.10%	1.90%	2.02%	1.09%	3.94%	6.82%

Ashtabula County, Ohio

Schedules of the Required Supplementary Information

*Schedule of County OPEB Contributions
State Teachers Retirement System (STRS) of Ohio*

*Last Ten Years
(See Accountant's Compilation Report)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ 597,664	\$ 950,264
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014	2013	2012	2011
\$ -	\$ -	\$ 4,390	\$ 7,542	\$ 7,723	\$ 10,352
-	-	(4,390)	(7,542)	(7,723)	(10,352)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 932,629	\$ 934,936	\$ 954,146	\$ 754,185	\$ 772,346	\$ 1,114,808
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Ashtabula County, Ohio

Notes to the Required Supplementary Information
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016. For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017. There were no changes in benefit terms for 2018-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes of assumption for 2018-2020.

(Continued)

Ashtabula County, Ohio

*Notes to the Required Supplementary Information (Continued)
For the Year Ended December 31, 2020
(See Accountant's Compilation Report)*

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

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Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate. For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) decrease in medical trend rates from 4.93%-5.87% to -6.69%-5.00% and (b) an increase in prescription drug trend rates from 7.73%-9.62% to 6.50%-11.87%.