

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS AUDIT REPORT

ELKHART COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
12/17/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. Pickens	01-01-19 to 12-31-20
County Treasurer	Tina M. Bontrager	01-01-19 to 12-31-20
Clerk of the Courts	Christopher J. Anderson	01-01-19 to 12-31-20
County Sheriff	Jeffrey A. Siegel	01-01-19 to 12-31-20
County Recorder	Jennifer L. Doriot	01-01-19 to 12-31-20
President of the Board of County Commissioners	Mike L. Yoder	01-01-19 to 12-31-20
President of the County Council	John K. Letherman	01-01-19 to 12-31-20
Director of the Solid Waste District	John E. Bowers	01-01-19 to 12-31-20



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF ELKHART COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Elkhart County (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules - General Fund and Major Special Revenue Funds, Budget/GAAP Reconciliation - General Fund and Major Special Revenue Funds, Schedule of Proportionate Share Net Pension Liability and Related Ratios - INPRS (PERF), Schedule of Employer Contributions - INPRS (PERF), Schedule of Changes in the County's Net Pension Liability and Related Ratios - Sheriff's Retirement Plan, Schedule of Changes in the County's Net Pension Liability and Related Ratios - Sheriff's Benefit Plan, Schedule of County Contributions - Sheriff's Retirement Plan, Schedule of County Contributions - Sheriff's Benefit Plan, Sheriff's Retirement and Benefit Plans - Schedule of Investment Returns, Schedule of Changes in Net OPEB Liability - Elkhart County's OPEB Plan, Schedule of Net OPEB Liability - Elkhart County's OPEB Plan, and Schedule of Employer Contributions - Elkhart County's OPEB Plan, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Although our opinion on the basic financial statements is not affected, condensed financial information from the prior year's government-wide financial statements is not presented in the Management's Discussion and Analysis, which is a material departure from the prescribed guidelines. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds, Combining Balance Sheet - Nonmajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds, Combining Balance Sheet - Nonmajor Capital Projects Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.


INDEPENDENT AUDITOR'S REPORT
(Continued)

Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds, Combining Balance Sheet - Nonmajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds, Combining Balance Sheet - Nonmajor Capital Projects Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

November 19, 2020

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Elkhart County, Indiana, ("the County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. The County did not issue a Management Discussion and Analysis in 2018. As such, comparisons to prior year data are not available. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$447,284,868 (net position).
- The County's total net position increased by \$21,846,795 as compared to the 2018 total net position.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$142,430,758 an increase of \$17,205,126 compared to 2018. Approximately 12.44% of the total amount in the combined ending fund balances, \$17,725,020 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$18,836,384 which represented 36.67% of total general fund expenditures, excluding transfers out.
- The County's principal on total bond related debt decreased by \$5,115,000 (12.36%) during the current fiscal year. The net change was the result of scheduled payments. The County did not issue any additional bond related debt in 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

The statement of net position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, health and welfare and culture and recreation.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

The government-wide financial statements start on page 18 of this report.

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

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

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

The County maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, LIT – Economic Development, LIT – Special Purpose, LIT Public Safety County Share, Major Moves Construction, Rainy Day, and Major Bridge which are considered to be major funds. Data for the remaining County governmental funds are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in the report. The County adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund and major special revenues funds.

The governmental fund financial statements start on page 21 of this report.

Proprietary funds. The County maintains two types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its landfill operations and the stormwater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for health insurance/flexible spending. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

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

The fund financial statements described above start on page 25 of this report.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 30 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgets for its General Fund and major special revenue funds as well as a reconciliation between the budget schedules and fund financial statements. In addition, the County's funding progress for its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information.

Required supplementary information begins on page 91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found beginning on page 115 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$447,284,868 at the close of the most recent fiscal year.

By far the largest portion, \$341,501,214 (76.35%), of the County's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment, 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.

The following table reflects the condensed statement of County net position:

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Net Position as of December 31, 2019

	Governmental Activities	Business-Type Activities
Current and other assets	\$ 202,264	\$ 31,948
Capital assets	<u>384,035</u>	<u>5,694</u>
Total assets	<u>586,299</u>	<u>37,642</u>
Deferred outflows of resources	<u>10,581</u>	<u>194</u>
Current liabilities	14,886	102
Non-current liabilities	<u>109,575</u>	<u>1,522</u>
Total liabilities	<u>124,461</u>	<u>1,624</u>
Deferred inflows of resources	<u>60,972</u>	<u>374</u>
Net investment in capital assets	335,807	5,694
Restricted net position	101,276	-
Unrestricted net position	<u>(25,636)</u>	<u>30,144</u>
Total net position	<u>\$ 411,447</u>	<u>\$ 35,838</u>

Note: Comparative information for 2018 is not available.

An additional portion of the County's net position, \$101,276,441, (22.64%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. A negative balance for unrestricted net position is more common for units of government like the County that utilize pay as you go policies for long-term debt, pensions and other post-employment benefits rather than accumulating assets in advance.

Governmental Activities

The following table provides a comparative summary of changes in net position for the County.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Changes in Net Position for the Year Ended December 31, 2019

	Governmental Activities	Business-Type Activities
Revenues		
Program revenues		
Charges for services	\$ 11,508	\$ 6,987
Operating grants and contribution:	25,417	-
General revenues		
Property taxes	50,968	-
Income taxes	52,263	-
Other taxes	476	-
Other	10,219	1,609
Total revenues	150,851	8,596
Expenses		
General government	39,438	-
Public safety	56,200	-
Highways and streets	22,175	-
Health and welfare	9,329	-
Culture and recreation	2,355	-
Landfill	-	4,834
Stormwater	-	1,280
Interest and fiscal charges	1,989	-
Total expenses	131,486	6,114
Change in net position	19,365	2,482
Net position - beginning	392,082	33,356
Net position - December 31	\$ 411,447	\$ 35,838

Note: Comparative information for 2018 is not available

The County's net position from governmental activities, including the statement of net position increased by \$21,846,795, or 5.14% in 2019, over the net position of 2018. Notable governmental activities revenues and expenses in 2019 are:

- Program revenues (charge for services) reported a total amount of \$11,508,199. The total amount is comprised of general government revenue of \$3,006,937, public safety revenue of \$7,019,558, highway and streets revenue of \$473,948, health and welfare revenue of \$738,491, and culture and recreation revenue of \$269,265.
- Program revenues (operating grants and contributions) reported a total amount of \$25,417,177. The total amount is comprised of general government revenue of \$4,898,729, public safety revenue of \$2,947,233, highway and streets revenue of

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

\$12,489,389, health and welfare revenue of \$4,973,830, and culture and recreation of \$107,996.

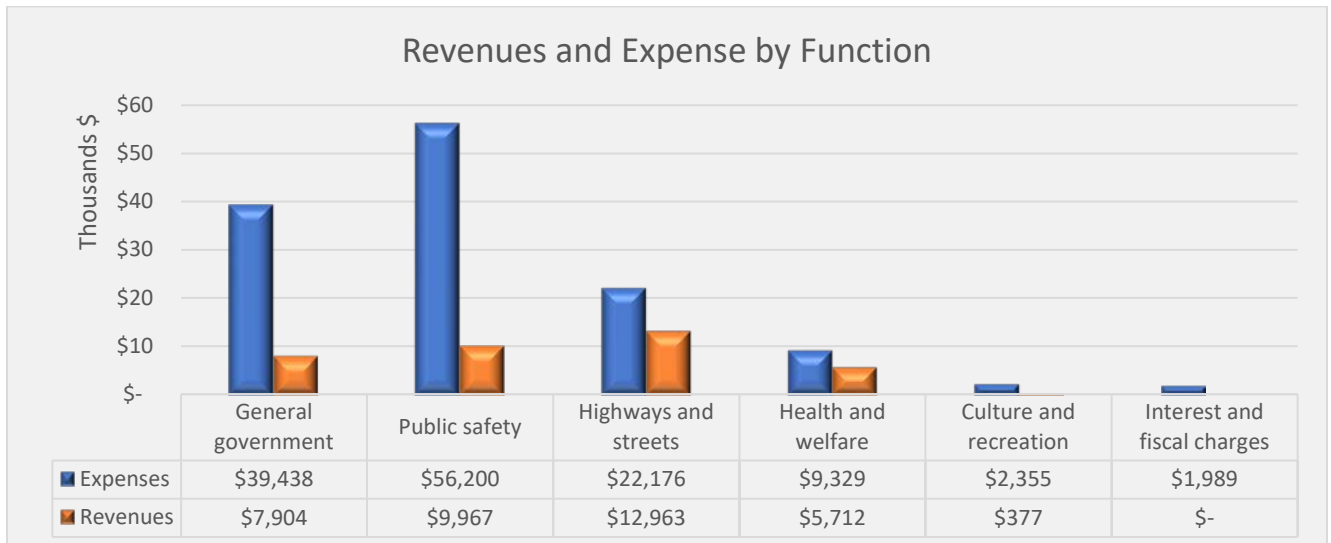
- Property, income, and other tax revenues in 2019 reported a total amount of \$50,968,724, \$52,262,868, and \$476,332, respectively.
- General government expenses reported a total amount of \$39,438,143.
- Public safety expenses reported a total amount of \$56,199,984.
- Highway and streets expenses reported a total amount of \$22,175,384.
- Health and welfare expenses reported a total amount \$9,329,311.
- Culture and recreation expenses reported a total amount \$2,354,875.
- Interest and fiscal charges reported a total amount \$1,989,385.
- Business-type activities generated net revenues of \$2,481,566 from Landfill and Stormwater operations.

The County's overall cash and cash equivalents position of \$175,963,450, is very strong. Overall cash reserves for governmental funds is 108.92% of 2019 operating expenses of \$127,022,467. The General Fund cash reserve is 33.51% of 2019 operating expenses. The County's property tax rate for 2019 decreased to \$.4643 from \$.4786 for 2018, per \$100 of assessed value.

The following displays the Expenses and Program Revenues of the County's governmental activities:

Program Revenue and Expenses – Governmental Activities

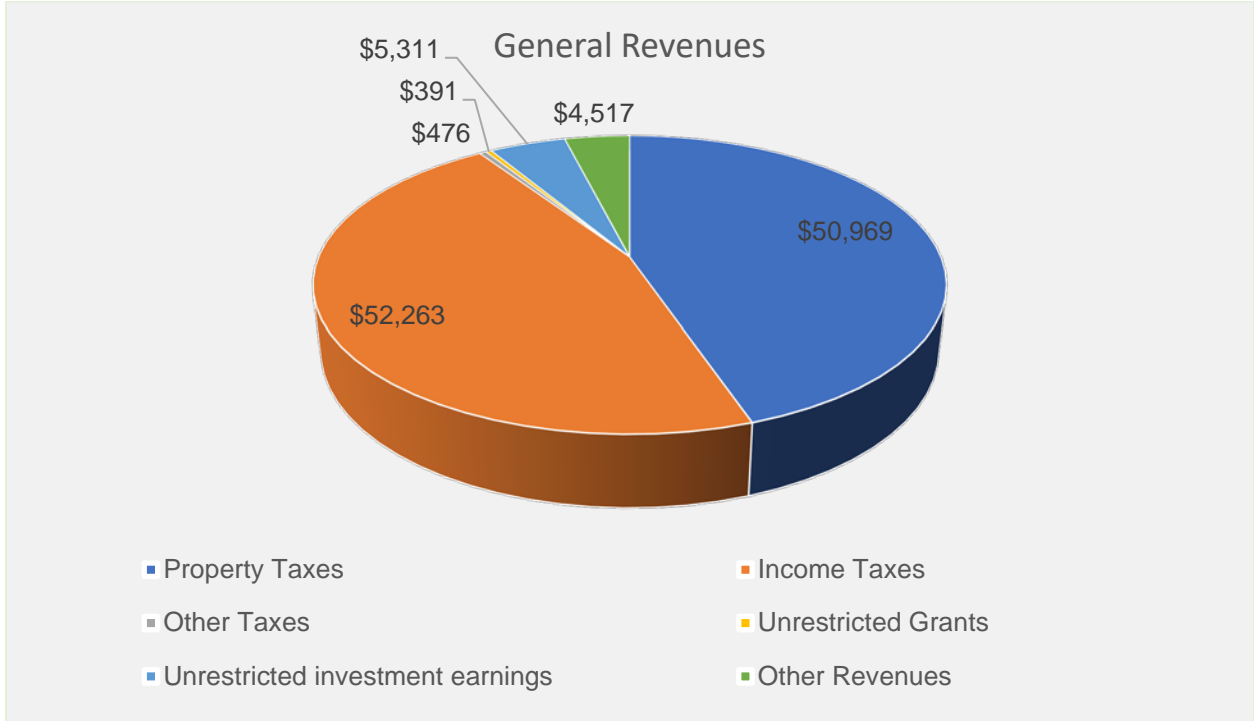
Taxes, as in prior years, were the County's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.



ELKHART COUNTY, IN

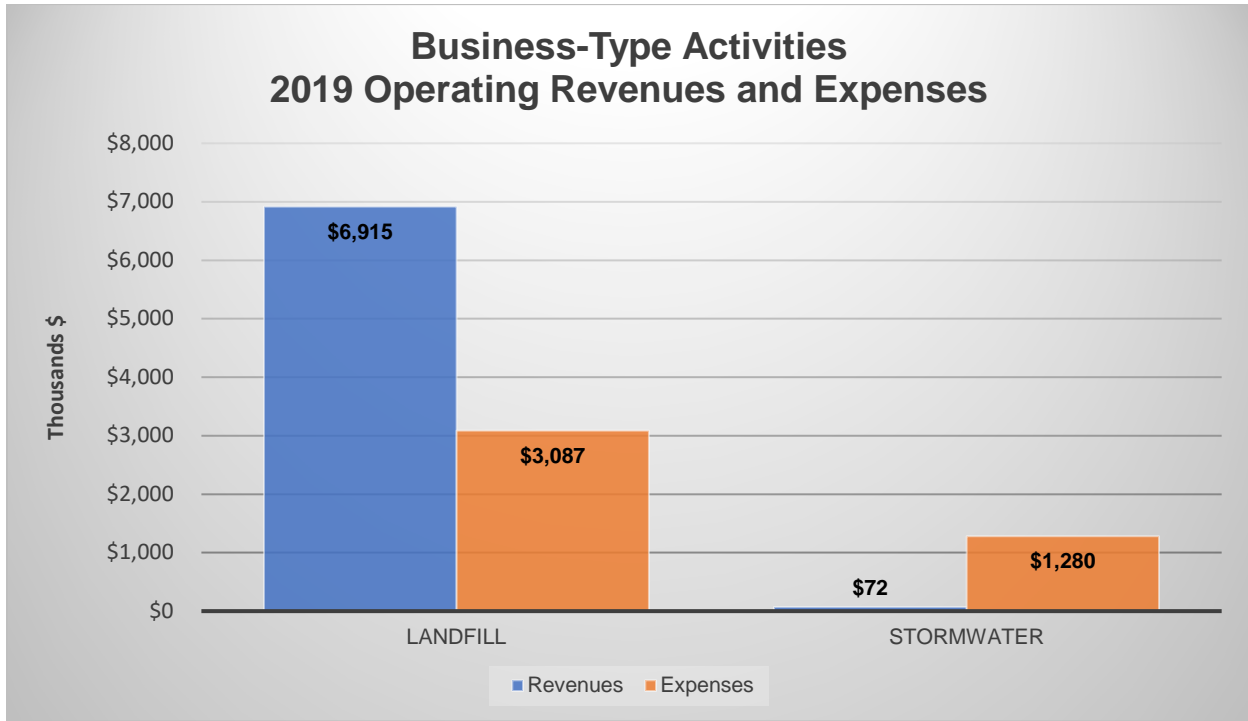
MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

The following displays the General Revenues by source for the County's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful to assess the County's financial requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$142,430,758 an increase of \$17,205,126 compared to 2018. \$105,824,876 of the fund balance is restricted, \$18,145,614 is committed, \$735,248 is assigned and \$17,725,020 is unassigned.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

The general fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$18,101,136 and \$735,248 was assigned. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total expenditures of \$51,367,567 excluding transfers. Total fund balance represents 36.67% of that same amount.

The fund balance of the County general fund decreased by \$663,589 during the current fiscal year. Key factors are as follows:

- While revenues exceeded expenditures by \$9,189,983 (excluding other financing sources and uses), the county transferred a net \$9,853,572 to other funds. The result is the primary cause of the shortfall in 2019.
- The primary revenue of the general fund includes property taxes of \$25,157,634 and income taxes of \$21,638,767. All remaining revenues total \$13,761,419.
- Expenditure reported include general government of \$22,788,389 public safety of \$26,663,305 and health and welfare of \$1,912,035. A small amount, \$3,838 was charged to capital outlays.

The county has several other major funds that impacted the overall results of operations for 2019. In total these funds accounted for \$17,868,715 of net change in fund balance for 2019.

- The LIT Economic Development Fund increased fund balance by \$334,186 (7.3%) in 2019. This is primarily driven by the variable timing of project spending as compared to the monthly revenue from income taxes.
- The LIT Special Purpose fund balance increased by \$4,310,085 (89.4%) in 2019. This fund accumulates revenue that supports operations and \$6,886,938 was transferred out to support debt payments.
- The LIT Public Safety County Share fund balance increased by \$980,230 (50.3%) in 2019. The County evaluates the revenue and spending in this fund, and over the longer term expects this fund to utilize resources to meet operating and capital needs associated with public safety. In 2019, no costs were incurred for capital outlays.
- Major Moves Construction carries receivables for external and internal loans for capital projects. This fund earns a return on those investments and had minimal operating costs in 2019. The fund issued additional funding of \$2,000,000 to the Town of Bristol and \$1,717,695 for an E911 Call Center equipment loan. The fund received payments of \$2,048,000 toward the repayment of a loan to the LIT Economic Development fund (\$675,135) and the Major Bridge fund (\$1,385,991).
- In 2019, the County transferred \$9,871,637 into the Rainy Day fund from the General Fund.
- The Major Bridge Fund has an unassigned fund balance of (\$376,116). This fund will use future revenues or transfers from the General Fund or Rainy Day fund to eliminate this shortfall. In 2019, the fund paid principal and interest on a loan to the Major Moves fund.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

General Fund Budgetary Highlights

The County submits annual budgets to align planned spending with available revenues to ensure operational accountability over County resources. This process correlates with longer term fiscal planning to help ensure that the County can continue to provide services in all economic conditions. Assumptions used at the time of budget adoption are adjusted during the ensuing year through additional appropriations or budget reductions as circumstances dictate.

General Fund excess of revenues over expenditures in 2019, excluding other financing sources, was \$9,293,785. The planned surplus was \$1,529,028. Key factors are briefly summarized below:

- Revenue exceeded budget by \$5,386,967. The difference was primarily from intergovernmental activity \$3,675,632 and investment income \$1,732,609. Property taxes, however, were \$1,825,680 under budget.
- Expenditures were under budget by \$2,377,790 as compared to the final budget. The largest variances to budget are Coroner, other services and charges, under budget by \$105,816. Sheriff, personal services, under budget by \$340,541. Buildings and grounds, other services and charges, under budget by \$293,363. Commissioners, personal services, under budget by \$1,002,559.
- The County had \$1,095,236 of unappropriated spending charged to the administrative department. Unappropriated spending is authorized if in accordance with specific provision in statute. The County's unappropriated spending complies with these provisions.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Capital Asset and Debt Administration

Capital assets. The County's net investment in capital assets for its governmental activities and business-type activities as of the 2019 fiscal year end amounts to \$335,807,124 and \$5,694,090 respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset events during the current fiscal year included the following:

- During the year, the County had additions of buildings, machinery and equipment, and infrastructure of \$110,000, \$ 2,999,299, and \$2,365,615 respectively.
- The County improved the roof to the Lincoln Center for \$110,000.
- Machinery and equipment includes lawn mowers, loaders, lead paint analyzer, snowplow, sewer unit chassis and several other pieces of equipment.
- Infrastructure additions include \$100,006 for right of way, \$1,524,632 for roads, \$120,522 for bridges and \$620,456 for drains.
- The County removed \$4,553,030 of assets through sale, trade or disposal.
- The Business Type funds added \$1,020,000 of land during 2019.

The following table displays the County's capital assets.

Capital Assets as of December 31,

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$ 889	\$ 889	\$ 2,154	\$ 1,134
Buildings	123,938	126,450	2,766	2,041
Improvements	4,585	4,585	84	84
Machinery, equipment and vehicles	24,920	23,570	5,604	5,518
Infrastructure	528,344	526,260	-	-
Total capital assets	682,676	681,754	10,608	8,777
Accumulated depreciation	(298,641)	(290,937)	(4,914)	(4,611)
Net capital assets	\$ 384,035	\$ 390,817	\$ 5,694	\$ 4,166

Long-term obligations. At the end of the current fiscal year, the County had outstanding total long-term debt related liabilities (net of unamortized premiums and discounts) of \$115,669,352. Of the total amount, \$33,375,000 is related general obligation debt, \$2,890,000 relates to tax increment financing debt, and \$9,620,000 relates to lease rental bond debt.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

The remainder of the County's long-term obligations consist of \$24,678,224 of net pension liability and \$42,198,980 of other postemployment benefits liability. Business type activities recorded \$542,106 for net pension liability and \$979,990 for other postemployment benefits liability. The following table reflects the County's long-term obligations and liabilities due within one year (as of December 31):

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
General obligation bonds	\$ 33,375	\$ 38,480	\$ -	\$ -
TIF bonds	2,890	2,900	-	-
Lease rental bonds	9,620	9,850	-	-
Net (Discounts)/premiums	1,817	2,444	-	-
Sub-totals	47,702	53,674	-	-
Capital leases	1,091	668	-	-
Net pension liability	24,678	26,124	542	524
Net other postemployment benefits liability	42,199	48,711	980	1,131
Sub-totals	67,968	75,503	1,522	1,655
Total long-term liabilities	115,670	129,177	1,522	1,655
Less current portion	(6,094)	(7,749)	-	-
Net long-term obligations	\$ 109,576	\$ 121,428	\$ 1,522	\$ 1,655

Changes in long-term debt include:

- The County's bonds decreased by \$5,972,512 due to scheduled debt payments.
- Net pension liability for pensions decreased by \$1,445,612 for governmental funds. A portion of the change is also related to changes in the proportional allocation within the County between contributions for governmental activities and contributions for business-type activities.
- Other postemployment benefit liability decreased by \$6,512,173 for governmental funds and \$151,233 for business-type funds as a result of an actuarial study using 2019 employee census data.

The County maintains a long-term rating of "AA" on its outstanding general obligation bonds and local income tax bonds with a property tax backup (which are rated as a general obligation security) assigned by S&P Global Ratings.

Additional information of the County's long-term debt can be found in note III.E of the Notes to the Financial Statements of this report.

ELKHART COUNTY, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Economic Factors and Next Year's Budget and Rates

- The 2020 tax rates for the County decreased from \$.4643 in 2019 to a rate of \$.4582 per \$100 in assessed value. Overall, the County's assessed value increased by approximately 5.3% from 2019 to 2020.
- Property tax is the County's largest source of revenue. Local Income Tax (LIT) is the second largest source of the County's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2019 budget year, the loss to the County due to the caps is \$3,367,000 (7.91% of the property tax levy). 2020 expected losses of revenue due to circuit breaker is approximately \$3,452,000 (or 7.95% of the property tax levy). Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing the County's budget for the 2020 calendar year.

In early 2020, the County recognizes the likely economic impacts from the Corona Virus. These impacts will affect, at a minimum the following areas:

- Investment valuations and likely decreases to investment income
- Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- Decline in demand for services such as utilities, transit, recreational enterprise activities or permits and licenses, airport traffic
- Increase in delinquencies or uncollectible accounts receivable or loans receivable
- Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- Increase in demand for services as a result of increased unemployment
- Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

Request 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 financial information should be addressed to the Elkhart County auditor's office located at 117 N 2nd St # 203, Goshen, IN 46526.

ELKHART COUNTY, IN

STATEMENT OF NET POSITION
December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Solid Waste District
Assets				
Cash and cash equivalents	\$ 144,020,479	\$ 31,942,971	\$ 175,963,450	\$ 1,793,561
Receivables:				
Interest	739	-	739	-
Taxes	54,196,155	-	54,196,155	-
Accounts	376,261	5,100	381,361	416,146
Intergovernmental	503,465	-	503,465	-
Other assets:				
Loan Receivable	3,000,000	-	3,000,000	-
Capital assets:				
Land and construction in progress	889,041	2,154,214	3,043,255	-
Other capital assets, net of depreciation	383,146,305	3,539,876	386,686,181	-
Net pension asset	166,245	-	166,245	-
Total assets	586,298,690	37,642,161	623,940,851	2,209,707
Deferred outflows of resources				
Deferred amount of refunding	563,926	-	563,926	-
Pension Related	5,685,467	93,854	5,779,321	-
OPEB Related	4,332,083	100,604	4,432,687	-
Total deferred outflow of resources	10,581,476	194,458	10,775,934	-

Continued on next page

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

ELKHART COUNTY, IN

STATEMENT OF NET POSITION

December 31, 2019

(Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Solid Waste District
Liabilities				
Accounts payable	\$ 2,427,362	\$ 33,635	\$ 2,460,997	\$ 38,517
Accrued payroll and withholdings payable	2,973,138	69,044	3,042,182	-
Accrued interest payable	195,126	-	195,126	-
Contracts payable	361,024	-	361,024	-
Claims payable	959,053	-	959,053	-
Compensated absences	1,876,282	-	1,876,282	-
Noncurrent liabilities:				
Due within one year:				
General obligation bonds	5,240,000	-	5,240,000	-
TIF bonds	25,000	-	25,000	-
Lease Rental bonds	235,000	-	235,000	-
Capital lease obligations	594,015	-	594,015	-
Due in more than one year:				
General obligation bonds (net of discounts, premiums)	29,334,365	-	29,334,365	-
TIF bonds (net of discounts, premiums)	2,872,087	-	2,872,087	-
Lease Rental bonds (net of discounts, premiums)	9,995,450	-	9,995,450	-
Capital lease obligations	496,231	-	496,231	-
Net pension liability	24,678,225	542,105	25,220,330	-
Total OPEB liability	42,198,980	979,990	43,178,970	-
Total liabilities	124,461,338	1,624,774	126,086,112	38,517
Deferred inflows of resources:				
Pension related	6,154,170	84,895	6,239,065	-
OPEB Related	12,448,416	289,090	12,737,506	-
Unavailable revenue	42,369,234	-	42,369,234	-
Total deferred inflow of resources	60,971,820	373,985	61,345,805	-
Net Position				
Net investment in capital assets	335,807,124	5,694,090	341,501,214	-
Net position - restricted for:				
Public safety	8,571,474	-	8,571,474	-
Highways and streets	4,503,833	-	4,503,833	-
Economic development	14,700,692	-	14,700,692	-
Culture and recreation	1,596,163	-	1,596,163	-
Health and welfare	3,235,182	30,143,770	33,378,952	2,171,190
Capital projects	60,101,156	-	60,101,156	-
Debt service	8,567,941	-	8,567,941	-
Net position - unrestricted	(25,636,557)	-	(25,636,557)	-
Total net position	\$ 411,447,008	\$ 35,837,860	\$ 447,284,868	\$ 2,171,190

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

ELKHART COUNTY, IN
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Solid Waste District
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Totals	
				Governmental Activities	Business-Type Activities		
Governmental Activities							
General government	\$ 39,438,143	\$ 3,006,937	\$ 4,898,729	\$ (31,532,477)	\$ -	\$ (31,532,477)	\$ -
Public safety	56,199,984	7,019,558	2,947,233	(46,233,193)	-	(46,233,193)	-
Highway and streets	22,175,384	473,948	12,489,389	(9,212,047)	-	(9,212,047)	-
Health and welfare	9,329,311	738,491	4,973,830	(3,616,990)	-	(3,616,990)	-
Culture and recreation	2,354,875	269,265	107,996	(1,977,614)	-	(1,977,614)	-
Interest and fiscal charges	1,989,385	-	-	(1,989,385)	-	(1,989,385)	-
Total Governmental Activities	131,487,082	11,508,199	25,417,177	(94,561,706)	-	(94,561,706)	-
Business-type Activities							
Landfill	3,086,856	6,915,005	-	-	3,828,149	3,828,149	-
Stormwater Management Operating	1,279,676	71,985	-	-	(1,207,691)	(1,207,691)	-
Total Business-type Activities	4,366,532	6,986,990	-	-	2,620,458	2,620,458	-
Total Primary Government	\$ 135,853,614	\$ 18,495,189	\$ 25,417,177	(94,561,706)	2,620,458	(91,941,248)	-
Component Unit Solid Waste District	\$ 546,089	\$ 666,210	\$ -	-	-	-	120,121
General Revenues							
Taxes:							
Property				50,968,724	-	50,968,724	-
Income				52,262,868	-	52,262,868	-
Other				476,332	-	476,332	-
Grants and contributions not restricted to specific programs				390,736	1,160,288	1,551,024	-
Investment income				5,310,975	437,786	5,748,761	6,893
Miscellaneous				2,954,810	10,668	2,965,478	39,704
Gain/(Loss) on disposal of assets				(185,144)	-	(185,144)	-
Transfers				1,747,634	(1,747,634)	-	-
Total General Revenues and Transfers				113,926,935	(138,892)	113,788,043	46,597
Change in Net Position				19,365,229	2,481,566	21,846,795	166,718
Net Position - Beginning of Year				392,081,779	33,356,294	425,438,073	2,004,472
Net Position - End of Year				\$ 411,447,008	\$ 35,837,860	\$ 447,284,868	\$ 2,171,190

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

ELKHART COUNTY, IN

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General Fund	LIT - Economic Development	LIT - Special Purpose	LIT Public Safety County Share	Major Moves Construction	Rainy Day	Major Bridge	Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 17,213,050	\$ 10,585,059	\$ 9,341,491	\$ 2,436,843	\$ 15,267,115	\$ 18,145,614	\$ 4,230,926	\$ 61,130,157	\$ 138,350,255
Receivables:									
Taxes	33,887,723	2,148,173	-	2,159,221	-	-	3,197,719	12,803,318	54,196,154
Interest	739	-	-	-	-	-	-	-	739
Accounts	60,587	765	-	-	-	-	-	275,116	336,468
Intergovernmental	113,775	2,295	-	-	-	-	-	387,395	503,465
Advances to other funds	-	-	-	-	12,959,178	-	-	-	12,959,178
Loans receivable	-	-	-	-	3,000,000	-	-	-	3,000,000
Total assets	51,275,874	12,736,292	9,341,491	4,596,064	31,226,293	18,145,614	7,428,645	74,595,986	209,346,259
Liabilities									
Accounts payable	379,504	917,140	125,326	35,557	-	-	-	806,494	2,264,021
Accrued payroll and withholdings payable	1,715,310	-	-	361,902	-	-	-	895,926	2,973,138
Contracts payable	-	-	86,000	109,200	-	-	-	165,824	361,024
Advances from other funds	-	5,737,683	-	-	-	-	4,662,316	2,559,179	12,959,178
Total liabilities	2,094,814	6,654,823	211,326	506,659	-	-	4,662,316	4,427,423	18,557,361
Deferred Inflows of Resources									
Unavailable revenue	30,344,676	1,154,832	-	1,160,771	-	-	3,142,445	12,555,416	48,358,140
Fund balances									
Reserved for:									
Restricted	-	4,926,637	9,130,165	2,928,634	31,226,293	-	-	57,613,147	105,824,876
Committed	-	-	-	-	-	18,145,614	-	-	18,145,614
Assigned	735,248	-	-	-	-	-	-	-	735,248
Unassigned	18,101,136	-	-	-	-	-	(376,116)	-	17,725,020
Total fund balances	18,836,384	4,926,637	9,130,165	2,928,634	31,226,293	18,145,614	(376,116)	57,613,147	142,430,758
Total liabilities, deferred inflows of resources and fund balances	\$ 51,275,874	\$ 12,736,292	\$ 9,341,491	\$ 4,596,064	\$ 31,226,293	\$ 18,145,614	\$ 7,428,645	\$ 74,595,986	\$ 209,346,259

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

ELKHART COUNTY, IN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2019

Fund balance - governmental funds		\$ 142,430,758
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land and construction in progress	\$ 889,041	
Other capital assets, net of depreciation	<u>383,146,305</u>	384,035,346
Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.		
Net pension asset	\$ 166,245	
Net pension liability	<u>(24,678,225)</u>	(24,511,980)
Deferred outflows of resources on the loss on refunding of debt are not recognized in the governmental funds, but are recorded in the statement of net position		563,926
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		5,685,467
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		4,332,083
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		5,988,907
Internal service funds are used by management to charge the costs of insurance to other governmental funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		4,587,630
Total OPEB liability is not paid from current financial resources and, therefore, is not shown in the funds		(42,198,980)
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		(6,154,170)
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		(12,448,416)
Compensated absences are not due and payable in the current period and, therefore are not reported as expenditures in the governmental funds		(1,876,282)
Accrued interest on bonds payable is not due and payable in the current period therefore, are not reported in the funds.		(195,127)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds:		(1,090,246)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	\$ (34,574,365)	
Tax increment financing bonds	(2,897,093)	
Lease rental bonds	<u>(10,230,450)</u>	<u>(47,701,908)</u>
Net position of governmental activities		<u>\$ 411,447,008</u>

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

ELKHART COUNTY, IN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	General Fund	LIT - Economic Development	LIT - Special Purpose	LIT Public Safety County Share	Major Moves Construction	Rainy Day	Major Bridge	Nonmajor	Total Governmental Funds
Revenues									
Taxes									
Property	\$ 25,157,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,846,949	\$ 17,034,598	\$ 45,038,911
Income	21,638,767	6,946,815	16,701,911	6,975,375	-	-	-	-	52,262,868
Other	-	-	-	-	-	-	-	476,332	476,332
Intergovernmental	4,935,505	256,475	-	-	-	-	267,197	20,338,440	25,797,617
Charges for services	2,144,952	-	-	-	-	-	-	1,250,989	3,395,941
Fines and forfeits	1,669,159	-	-	-	-	-	-	6,425,226	8,094,385
Investment Income	4,298,013	-	-	-	844,452	157,965	-	10,545	5,310,975
Other	713,790	131,147	-	2,377	-	-	-	1,255,616	2,102,930
Total revenues	60,557,550	7,334,437	16,701,911	6,977,752	844,452	157,965	3,114,146	46,791,746	142,479,959
Expenditures									
Current									
General government	22,788,389	207,198	5,504,888	-	-	-	-	5,232,860	33,733,335
Public safety	26,663,305	-	-	5,997,522	-	-	-	11,170,949	43,831,776
Highways and Streets	-	-	-	-	12,982	-	-	10,180,649	10,193,631
Health and welfare	1,912,035	-	-	-	-	-	-	6,612,861	8,524,896
Culture and recreation	-	-	-	-	-	-	-	2,035,454	2,035,454
Debt service									
Principal	-	-	-	-	-	-	-	5,345,000	5,345,000
Interest	-	124,865	-	-	-	-	114,009	1,750,511	1,989,385
Capital outlay									
General government	3,838	6,668,188	-	-	-	-	-	9,528,344	16,200,370
Public safety	-	-	-	-	-	-	-	498,609	498,609
Highways and streets	-	-	-	-	-	-	149,566	4,407,419	4,556,985
Health and welfare	-	-	-	-	-	-	-	29,788	29,788
Culture and recreation	-	-	-	-	-	-	-	83,238	83,238
Total expenditures	51,367,567	7,000,251	5,504,888	5,997,522	12,982	-	263,575	56,875,682	127,022,467
Excess (deficiency) of revenues over (under) expenditures	9,189,983	334,186	11,197,023	980,230	831,470	157,965	2,850,571	(10,083,936)	15,457,492
Other financing sources (uses)									
Transfers in	18,065	-	-	-	-	9,871,637	-	9,757,188	19,646,890
Transfers out	(9,871,637)	-	(6,886,938)	-	-	-	-	(1,140,681)	(17,899,256)
Total other financing sources and uses	(9,853,572)	-	(6,886,938)	-	-	9,871,637	-	8,616,507	1,747,634
Net change in fund balances	(663,589)	334,186	4,310,085	980,230	831,470	10,029,602	2,850,571	(1,467,429)	17,205,126
Fund balances - beginning	19,499,973	4,592,451	4,820,080	1,948,404	30,394,823	8,116,012	(3,226,687)	59,080,576	125,225,632
Fund balances - ending	\$ 18,836,384	\$ 4,926,637	\$ 9,130,165	\$ 2,928,634	\$ 31,226,293	\$ 18,145,614	\$ (376,116)	\$ 57,613,147	\$ 142,430,758

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

ELKHART COUNTY, IN

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, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 17,205,126
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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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay additions	\$ 5,474,915	
Loss on sale of assets (net)	(316,291)	
Depreciation expense	<u>(11,940,902)</u>	(6,782,278)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	\$ 5,345,000	
Loss on refunding amortization	(146,331)	
Bond premium amortization	627,512	
Capital lease issued	(770,734)	
Capital lease payments	<u>348,395</u>	5,403,842

Unavailable revenues are not available to pay current liabilities and, therefore, are reported as revenues in the statement of activities	5,988,907
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Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.	(1,876,282)
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Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(195,133)
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Pension accrued obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.	207,955
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OPEB obligation reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.	(1,604,160)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>1,017,252</u>
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Change in net position of governmental activities (Statement of Activities)	<u>\$ 19,365,229</u>
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The notes to the financial statements are an integral part of this statement.

ELKHART COUNTY, IN

STATEMENT OF NET POSITION -
 PROPRIETARY FUNDS
 December 31, 2019

	Enterprise Funds			Internal Service Fund
	Storm Water Landfill	Mgmt Operating	Totals	
Assets				
Current assets:				
Cash and cash equivalents	\$ 26,432,918	\$ 5,510,053	\$ 31,942,971	\$ 5,670,230
Receivables:				
Accounts	-	5,100	5,100	39,793
Capital assets:				
Land and construction in progress	2,154,214	-	2,154,214	-
Other capital assets, net of depreciation	3,539,876	-	3,539,876	-
Total assets	32,127,008	5,515,153	37,642,161	5,710,023
Deferred outflows of resources:				
Pension related	71,643	22,211	93,854	-
OPEB related	80,178	20,426	100,604	-
Total deferred outflow of resources	151,821	42,637	194,458	-
Liabilities				
Current liabilities:				
Accounts payable	19,386	14,249	33,635	163,340
Accrued payroll and withholdings payable	55,027	14,017	69,044	-
Claims payable	-	-	-	959,053
Total current liabilities	74,413	28,266	102,679	1,122,393
Noncurrent liabilities:				
Due in more than one year:				
Net pension liability	413,812	128,293	542,105	-
Total OPEB liability	781,021	198,969	979,990	-
Total noncurrent liabilities	1,194,833	327,262	1,522,095	-
Deferred inflows of resources:				
Pension related	64,804	20,091	84,895	-
OPEB Related	230,396	58,694	289,090	-
Total deferred inflow of resources	295,200	78,785	373,985	-
Net Position				
Net investment in capital assets	5,694,090	-	5,694,090	-
Net position - restricted for:				
Health and welfare	25,020,293	5,123,477	30,143,770	-
Net position - unrestricted	-	-	-	4,587,630
Total net position	\$ 30,714,383	\$ 5,123,477	\$ 35,837,860	\$ 4,587,630

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

ELKHART COUNTY, IN

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For The Year Ended December 31, 2019

	Enterprise Funds			Internal Service Fund
	Storm Water		Totals	
	Landfill	Mgmt Operating		
Operating revenues:				
Intergovernmental	\$ 60,395	\$ 1,099,893	\$ 1,160,288	\$ -
Charges for services	6,915,005	71,985	6,986,990	-
Miscellaneous	10,568	100	10,668	15,761,620
Total operating revenues	<u>6,985,968</u>	<u>1,171,978</u>	<u>8,157,946</u>	<u>15,761,620</u>
Operating expenses:				
General government	-	-	-	14,744,368
Health and Human Services	3,004,750	1,279,362	4,284,112	-
Capital Outlay:				
Health and Human Services	82,106	314	82,420	-
Total operating expenses	<u>3,086,856</u>	<u>1,279,676</u>	<u>4,366,532</u>	<u>14,744,368</u>
Operating income (loss)	<u>3,899,112</u>	<u>(107,698)</u>	<u>3,791,414</u>	<u>1,017,252</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	<u>437,786</u>	<u>-</u>	<u>437,786</u>	<u>-</u>
Income (loss) before transfers	4,336,898	(107,698)	4,229,200	1,017,252
Transfers in	95,566	-	95,566	-
Transfers out	<u>(1,843,200)</u>	<u>-</u>	<u>(1,843,200)</u>	<u>-</u>
Change in Net Position	2,589,264	(107,698)	2,481,566	1,017,252
Total net position - beginning	<u>28,125,119</u>	<u>5,231,175</u>	<u>33,356,294</u>	<u>3,570,378</u>
Total net position - ending	<u>\$ 30,714,383</u>	<u>\$ 5,123,477</u>	<u>\$ 35,837,860</u>	<u>\$ 4,587,630</u>

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

ELKHART COUNTY, IN

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2019

	Enterprise Funds			
	Storm Water			Internal Service Fund
	Landfill	Mgmt Operating	Totals	
Cash flows from operating activities:				
Operating receipts and for interfund services provided	\$ 6,897,927	\$ 1,144,094	\$ 8,042,021	\$ 15,761,620
Payments to employees, suppliers and interfund services	<u>(3,346,800)</u>	<u>(1,235,608)</u>	<u>(4,582,408)</u>	<u>(14,483,808)</u>
Net cash used by operating activities	<u>3,551,127</u>	<u>(91,514)</u>	<u>3,459,613</u>	<u>1,277,812</u>
Capital and other financing activities:				
Acquisition of capital assets	(1,527,870)	-	(1,527,870)	-
Transfers	<u>(1,747,634)</u>	<u>-</u>	<u>(1,747,634)</u>	<u>-</u>
Net cash from capital and other financing sources	<u>(3,275,504)</u>	<u>-</u>	<u>(3,275,504)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received	<u>437,786</u>	<u>-</u>	<u>437,786</u>	<u>(39,793)</u>
Net cash provided by investing activities	<u>437,786</u>	<u>-</u>	<u>437,786</u>	<u>(39,793)</u>
Net increase in cash and cash equivalents	713,409	(91,514)	621,895	1,238,019
Cash and cash equivalents, January 1	<u>25,719,509</u>	<u>5,601,567</u>	<u>31,321,076</u>	<u>4,432,211</u>
Cash and cash equivalents, December 31	<u>\$ 26,432,918</u>	<u>\$ 5,510,053</u>	<u>\$ 31,942,971</u>	<u>\$ 5,670,230</u>
Reconciliation of operating income to net cash used by operating activities:				
Operating income	\$ 3,899,112	\$ (107,698)	\$ 3,791,414	\$ 1,017,252
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase)/decrease in assets:				
Accounts receivable	-	(5,100)	(5,100)	-
Deferred outflows	(88,041)	(22,784)	(110,825)	-
Increase/(decrease in liabilities):				
Accounts payable	(390,281)	10,688	(379,593)	142,722
Accrued payroll and withholdings payable	9,829	(2,307)	7,522	-
Claims payable	-	-	-	117,838
Contracts payable	-	-	-	-
OPEB	(120,528)	(30,705)	(151,233)	-
Pension liabilities	11,111	7,230	18,341	-
Deferred inflows	<u>229,924</u>	<u>59,162</u>	<u>289,086</u>	<u>-</u>
Total adjustments	<u>(347,985)</u>	<u>16,184</u>	<u>(331,801)</u>	<u>260,560</u>
Net cash used by operating activities	<u>\$ 3,551,127</u>	<u>\$ (91,514)</u>	<u>\$ 3,459,613</u>	<u>\$ 1,277,812</u>

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

ELKHART COUNTY, IN

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
December 31, 2019

<u>Assets</u>	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Cash and cash equivalents	\$ 113,699	\$ 1,546,822	\$ 20,534,967
Receivables:			
Taxes	-	-	240,874,870
Interest	-	34,387	-
Accounts	-	30,652	47,434
Total receivables	-	65,039	240,922,304
Investments at fair value:			
Fixed income securities	-	7,743,296	-
Domestic and foreign equities	-	14,679,060	-
Total Investments	-	22,422,356	-
Total assets	<u>\$ 113,699</u>	<u>\$ 24,034,217</u>	<u>\$ 261,457,271</u>
<u>Liabilities</u>			
Accounts payable and other liabilities	\$ -	\$ 3,888	11,158,795
Due to other governments	-	-	250,298,476
Total liabilities	<u>\$ -</u>	<u>\$ 3,888</u>	<u>\$ 261,457,271</u>
Net position restricted for fiduciary funds	<u>\$ 113,699</u>	<u>\$ 24,030,329</u>	<u>\$ -</u>

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

ELKHART COUNTY, IN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For The Year Ended December 31, 2019

<u>Additions</u>	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Contributions:			
Employer contributions	\$ -	\$ 1,712,027	\$ -
Employee contributions	-	218,108	-
Other	-	15,807	-
Total contributions	<u>-</u>	<u>1,945,942</u>	<u>-</u>
Investment income:			
Interest	-	512,951	-
Net increase (decrease) in fair value of investments	-	3,200,171	-
Total investment income	<u>-</u>	<u>3,713,122</u>	<u>-</u>
Property taxes collected for other governments	-	-	24,681,571
Miscellaneous	-	-	26,925,198
Total additions	<u>-</u>	<u>5,659,064</u>	<u>51,606,769</u>
<u>Deductions:</u>			
Benefit payments (including refunds of employee contributions)	-	1,132,875	-
Other trust activities	2,752	138,950	26,925,198
Property taxes distributed to other governments	-	-	24,681,571
Total deductions	<u>2,752</u>	<u>1,271,825</u>	<u>51,606,769</u>
Change in fiduciary net position	(2,752)	4,387,239	-
Net position, beginning	<u>116,451</u>	<u>19,643,090</u>	<u>-</u>
Net position, ending	<u>\$ 113,699</u>	<u>\$ 24,030,329</u>	<u>\$ -</u>

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

ELKHART COUNTY, IN

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ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Elkhart County, IN (the County) was established under the laws of the State of Indiana. The primary government operates under a council-commissioner form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Units

The Elkhart County Redevelopment Authority is a blended component unit of the County. The Redevelopment Authority finances, constructs, and leases local public improvements to the primary government. The primary government appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the County and the Redevelopment Authority. Although it is legally separate from the primary government, the Redevelopment Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government and is not involved in the operation/maintenance of these assets/infrastructure. The debt of the Redevelopment Authority will be repaid entirely, or almost entirely, from resources of the primary government. The Elkhart County Redevelopment Authority does not issue separate financial statements. Financial information may be obtained by contacting the County Auditor office located at Room 203, 117 N. 2nd Street, Goshen, IN 46526.

The Elkhart County Correctional Complex Building Corporation is a blended component unit of the County. The Building Corporation finances, constructs, and leases local public improvements to the primary government. The primary government appoints a voting majority of the Building Corporation's board and a financial benefit/burden relationship exists between the County and the Building Corporation. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government and is not involved in the operation/maintenance of these assets/infrastructure. The debt of the Building Corporation will be repaid entirely, or almost entirely, from resources of the primary government. The Elkhart County Correctional Complex Building Corporation does not issue separate financial statements. Financial information may be obtained by contacting the County Auditor office located at Room 203, 117 N. 2nd Street, Goshen, IN 46526.

Discretely Presented Component Unit

Elkhart County Solid Waste District

The Elkhart County Solid Waste District is a discretely presented component unit of the County. The Solid Waste District operates a household hazardous waste facility and educates the public on recycling programs in Elkhart County, IN. The primary government appoints a voting majority of the Solid Waste District's board and a financial benefit/burden relationship exists between the County and the Solid Waste District. Financial information for the District may be obtained at the administrative offices of the District located at 59530 County Road 7 South, Elkhart, IN 46517.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2019.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

In November 2016, the GASB issued statement No. 83 - *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable. This standard was implemented January 1, 2019.

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are clearly identifiable with a specific function or segment Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the County believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- LIT - Economic Development Special revenue fund - used to account for local income tax restricted for economic development purposes..
- LIT - Special Purposes Special revenue fund - used to account for local income tax receipts set aside for locally approved expenditures and to fund projects..
- LIT - Public Safety County Share Special revenue fund - used to account for local income taxes generated by a dedicated rate to fund public safety expenditures..
- Rainy Day special revenue fund - - used to account for the expenditures of unused and unencumbered funds of the general or special tax levy. Expenditures for the operation of the County and its departments.
- Major Moves Construction capital projects funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditures to improve and expand road network infrastructure.
- Major Bridge Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures to improve and expand the bridge network infrastructure.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The County reports the following major enterprise funds:

Stormwater Management Operating - accounts for operations of the stormwater system
Landfill - accounts for operations of the Elkhart County Landfill

The County reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the County reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

Private-Purpose Trust Funds - used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations, or other governments.

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of Sheriff Retirement Plan and Sheriff Benefit Plan.

Custodial Funds - used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Landfill and Stormwater Operating Fund are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the County and available for investment.

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

4. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	5-30 Years
Improvements other than buildings	10-60 Years
Machinery and Equipment	5-15 Years
Infrastructure	10-50 Years

For depreciated assets, 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.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

6. Compensated Absences

Sick Leave: Non-exempt employees accrue sick leave in hours at the close of each pay period in which the employee is actively employed for at least 36 hours. The amount of accrual depends on the employee's authorized work schedule. Exempt employees will accrue one day of paid sick leave at the completion of each month during which the employee is actively at work. Unused sick leave may be accumulated to no maximum. However, a maximum of 13 weeks of sick time is allowed for any one illness. This is to coincide with long term disability insurance.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

6. *Compensated Absences* (cont.)

Holidays: Employees are compensated for each holiday adopted by the Commissioners in any given year. New employees receive this benefit as soon as employment begins.

Vacation: The County provides employees with paid vacation time based upon the length of employment. Nonexempt employees will accrue vacation leave in hours at the close of each pay period in which the employee is actively employed for at least 36 work hours. The amount of accrual depends on the employee's authorized work schedule. For exempt employees, vacation is granted at the close of each month an employee is actively employed for at least ten days. New exempt employees begin accumulating vacation after their third month. All new employees will accrue vacation as listed above, but cannot take it until after six months of employment. New employees can accrue up to two weeks of vacation a year and additional vacation time begins to accrue after three years of employment.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

7. *Long-Term Obligations*

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, pension liability, and OPEB liability..

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

8. *Deferred Inflows of Resources*

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- b. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the County Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Council that originally created the commitment.
- c. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the county believes it is in compliance with all significant restrictions.

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County OPEB Plan and additions to/deductions from the County OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the County OPEB Plan. For this purpose, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year end.

As of December 31, 2019, the following individual funds held a deficit fund balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Major Bridge	\$ 247,121	Internal financing for bridge projects
Homeland Security Grants	188,945	Pending reimbursements
Motor Vehicle Highway - Restricted	7,211	Pending revenue allocation from MVH Fund
2015 Bond Fund	70,650	Pending transfer to cover debt service
Emergency Telephone System	273,827	Internal financing for equipment

B. BUDGETARY INFORMATION

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before August 31, the County Auditor submits to the County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County Council to obtain taxpayer comments. In September of each year, the County Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County Auditor receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, and excess levy may be granted by the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund and other adopted budgets. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision.

The County's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Checking accounts	\$114,933,943	\$125,951,495	Custodial credit
Money market accounts	46,624,496	46,704,308	Custodial credit
Certificates of deposit (non-negotiable)	36,600,000	36,600,000	Custodial credit
Mutual funds - bond funds	4,866,976	4,866,976	Credit risk, Interest rate risk
Mutual funds - other than bonds	14,679,060	14,679,060	Credit risk, Interest rate risk,
US treasuries	102,043	102,043	Custodial credit risk, Interest rate risk
US agencies	724,490	724,490	Custodial credit risk, Interest rate risk
State and local bonds	86,975	86,975	Credit risk, custodial credit risk, concentration of credit risk, Interest rate risk
Corporate bonds	1,962,811	1,962,811	Credit risk, custodial credit risk, Interest rate risk
Petty cash	500	-	N/A
Total Deposits and Investments	\$220,581,294	\$231,678,158	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$175,963,450		
Per statement of net position - fiduciary funds			
Private purpose trust	113,699		
Pension trust	23,969,178		
Custodial	20,534,967		
Total Deposits and Investments	\$220,581,294		

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. All other bank balances at December 31, 2019 were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

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

The valuation methods for recurring fair value measurements are as follows:

- Level 1 - valued using unadjusted quoted prices in active markets for those securities
- Level 2 - valued using a proprietary matrix pricing technique. This pricing technique defines the primary source and secondary sources to be used if the primary pricing source does not provide a value. The valuation techniques may include market participant's assumptions, quoted prices for similar securities, benchmark yield curves including but not limited to treasury benchmarks, LIBOR and swap curves, market corroborated inputs, and other data inputs
- Level 3 - valued using proprietary information

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds - Bond funds	\$ -	\$ 4,866,976	\$ -	\$ 4,866,976
Mutual funds - other than bonds	-	14,679,060	-	14,679,060
US Treasuries	-	102,043	-	102,043
US Agencies	-	724,490	-	724,490
State and local bonds	-	86,975	-	86,975
Corporate bonds	-	1,962,812	-	1,962,812
Total	\$ -	\$ 22,422,356	\$ -	\$ 22,422,356

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2019, \$880,639 of the County's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the County's name	\$ <u>880,639</u>
Total	\$ <u><u>880,639</u></u>

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County has no rated investments for 2019.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The County and its discretely presented component unit do not have a policy regarding concentration of credit risk. United States of America government and United State of America governmental agency securities are exempt from the policy requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2019, the County's investments were as follows:

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

Pension Fund

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 to 2	More than 2
US Treasuries	\$ 102,043	\$ -	\$ 102,043	\$ -
US Agencies	724,490	-	-	724,490
Corporate and foreign bonds	1,962,811	151,622	100,580	1,710,609
Municipal obligations	86,975	-	-	86,975
Mutual funds - Bond funds	14,679,060	14,679,060	-	-
Mutual funds - Other than bonds	4,866,976	4,866,976	-	-
Totals	<u>\$ 22,422,355</u>	<u>\$ 19,697,658</u>	<u>\$ 202,623</u>	<u>\$ 2,522,074</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The County does not have investments in foreign securities.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	LIT - Economic Development	LIT Public Safety County Share	Major Moves Construction	Major Bridge	Nonmajor and Other Funds	Totals
Receivables							
Taxes	\$ 33,887,723	\$ 2,148,173	\$ 2,159,221	\$ -	\$ 3,197,719	\$ 12,803,318	\$ 54,196,154
Accounts	60,587	765	-	-	-	275,116	336,468
Interest	739	-	-	-	-	-	739
Intergovernmental	113,775	2,295	-	-	-	387,395	503,465
Loan receivable	-	-	-	3,000,000	-	-	3,000,000
Total	<u>\$ 34,062,824</u>	<u>\$ 2,151,233</u>	<u>\$ 2,159,221</u>	<u>\$ 3,000,000</u>	<u>\$ 3,197,719</u>	<u>\$ 13,465,829</u>	<u>\$ 58,036,826</u>

All of the receivables on the balance sheet are expected to be collected within one year.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year	<u>\$ 48,358,140</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 48,358,140</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 889,041	\$ -	\$ -	\$ 889,041
Total Capital Assets Not Being Depreciated	889,041	-	-	889,041
Capital assets being depreciated				
Buildings	126,449,820	110,000	2,621,465	123,938,355
Improvements other than buildings	4,585,227	-	-	4,585,227
Machinery, equipment and vehicles	23,570,442	2,999,299	1,650,088	24,919,653
Infrastructure	526,260,115	2,365,616	281,477	528,344,254
Total Capital Assets Being Depreciated	680,865,604	5,474,915	4,553,030	681,787,489
Total Capital Assets	681,754,645	5,474,915	4,553,030	682,676,530
Less: Accumulated depreciation for				
Buildings	(64,985,976)	(3,574,271)	2,607,247	(65,953,000)
Improvements other than buildings	(4,359,903)	(68,097)	-	(4,428,000)
Machinery, equipment and vehicles	(19,262,339)	(1,743,422)	1,566,867	(19,438,894)
Infrastructure	(202,328,802)	(6,555,112)	62,624	(208,821,290)
Total Accumulated Depreciation	(290,937,020)	(11,940,902)	4,236,738	(298,641,184)
Net Capital Assets Being Depreciated	389,928,584	(6,465,987)	316,292	383,146,305
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$390,817,625	\$(6,465,987)	\$ 316,292	\$384,035,346

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 543,990
Public safety	4,022,121
Highways and streets	7,195,184
Health and welfare	61,497
Culture and recreation	118,110
Total Governmental Activities Depreciation/Amortization Expense	\$ 11,940,902

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 1,134,214	\$ 1,020,000	\$ -	\$ 2,154,214
Total Capital Assets Not Being Depreciation	1,134,214	1,020,000	-	2,154,214
Capital assets being depreciated				
Buildings	2,040,739	725,000	-	2,765,739
Improvements other than buildings	84,396	-	-	84,396
Machinery, equipment and vehicles	5,518,387	85,398	-	5,603,785
Total Capital Assets Being Depreciated	7,643,522	810,398	-	8,453,920
Total Capital Assets	8,777,736	1,830,398	-	10,608,134
Less: Accumulated depreciation for				
Buildings	(1,067,921)	(55,315)	-	(1,123,236)
Improvements other than buildings	(84,396)	-	-	(84,396)
Machinery, equipment and vehicles	(3,459,198)	(247,214)	-	(3,706,412)
Total Accumulated Depreciation	(4,611,515)	(302,529)	-	(4,914,044)
Net Capital Assets Being Depreciated	3,032,007	507,869	-	3,539,876
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 4,166,221	\$ 1,527,869	\$ -	\$ 5,694,090

Depreciation expense was charged to functions as follows:

Business-type Activities	
Landfill	\$ 302,529
Total Business-type Activities Depreciation Expense	\$ 302,529

D. INTERFUND ADVANCES

Advances

The Major Moves Construction fund has advanced funds to LIT - Economic Development, Major Bridge and Public Safety Funds. The Major Moves Construction Fund charges 2% interest per year. A repayment schedule has been established.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND ADVANCES (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Major Moves Construction	LIT Economic Development	\$ 5,737,683	\$ 5,049,295
Major Moves Construction	Major Bridge	4,662,316	3,248,724
Major Moves Construction	Public Safety Funds	1,279,590	1,279,590
Major Moves Construction	Emergency Telephone System	<u>1,279,589</u>	1,279,589
Total - Fund Financial Statements		12,959,178	
Government wide financial statement eliminations		<u>(12,959,178)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ -</u></u>	

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Nonmajor	\$ 18,065	Support operations
Rainy Day	General Fund	9,871,637	Move unrestricted money
Nonmajor	LIT - Special Purpose	6,886,938	Debt service
Nonmajor	Nonmajor	1,027,050	Support operations
Landfill	Nonmajor	95,566	Support operations
Nonmajor	Landfill	<u>1,747,634</u>	Support operations
Total - Fund Financial Statements		<u>19,646,890</u>	
Less: Government-wide eliminations		<u>(17,899,256)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 1,747,634</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 38,480,000	\$ -	\$ 5,105,000	\$ 33,375,000	\$ 5,240,000
Tax increment financing bonds	2,900,000	-	10,000	2,890,000	25,000
Lease rental bonds	9,850,000	-	230,000	9,620,000	235,000
(Discounts)/Premiums	2,444,414	-	627,512	1,816,902	-
Sub-totals	<u>53,674,414</u>	<u>-</u>	<u>5,972,512</u>	<u>47,701,902</u>	<u>5,500,000</u>
Other Liabilities					
Capital leases	667,907	770,734	348,395	1,090,246	594,015
Other postemployment benefits	48,711,153	-	6,512,173	42,198,980	-
Pension liability - INPRS	19,812,647	3,798,575	3,306,308	20,304,914	-
Pension liability - Sheriff Retirement	6,311,189	-	1,937,879	4,373,310	-
Total Other Liabilities	<u>75,502,896</u>	<u>4,569,309</u>	<u>12,104,755</u>	<u>67,967,450</u>	<u>594,015</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 129,177,310</u>	<u>\$ 4,569,309</u>	<u>\$ 18,077,267</u>	<u>\$ 115,669,352</u>	<u>\$ 6,094,015</u>
Business-type Activities					
Other Liabilities					
Other postemployment benefits	\$ 1,131,223	\$ -	\$ 151,233	\$ 979,990	\$ -
Net pension obligation	523,765	106,935	88,594	542,106	-
Total Other Liabilities	<u>1,654,988</u>	<u>106,935</u>	<u>239,827</u>	<u>1,522,096</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,654,988</u>	<u>\$ 106,935</u>	<u>\$ 239,827</u>	<u>\$ 1,522,096</u>	<u>\$ -</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by property tax levies or tax increment financing accumulated by the debt service funds. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
2014 Corr Comp Ref Bonds	06/05/14	06/01/24	2.14%	\$ 12,335,000	\$ 2,690,000
2015 Red Dist Taxable NE	06/30/15	01/15/40	4.5% to 6%	1,675,000	1,460,000
2016 Corr. Comp Ref	09/15/16	12/01/23	3% to 5%	23,045,000	18,665,000
2017 Corr. Complex	11/07/17	12/01/31	2.58%	12,000,000	<u>10,560,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 33,375,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2020	\$ 5,240,000	\$ 1,167,519
2021	5,400,000	978,347
2022	5,595,000	770,192
2023	5,880,000	521,692
2024	3,470,000	283,131
2025-2029	5,035,000	886,161
2030-2034	2,570,000	201,288
2035-2039	180,000	18,000
2040	<u>5,000</u>	<u>150</u>
Totals	<u>\$ 33,375,000</u>	<u>\$ 4,826,480</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

The County has pledged future certified shares income tax revenues to repay revenue bonds issued in 2006. Proceeds from the bonds provided financing for the correctional complex. The bonds are payable solely from income tax revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require 2.80% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,378,625. Principal and interest paid for the current year and total gross revenues were \$433,620 and \$15,612,507, respectively.

The County has pledged future certified shared income tax revenues to repay revenue bonds issued in 2007. Proceeds from the bonds provided financing for the correctional complex. The bonds are payable solely from income tax revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require .4% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$115,350. Principal and interest paid for the current year and total gross revenues were \$65,681 and \$15,612,507, respectively.

The County has pledged future certified shares income tax revenues to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the advance refunding of the outstanding first mortgage bonds issued in 2005 to finance construction of the correctional complex. The bonds are payable solely from income tax revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 2.20% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$10,753,700. Principal and interest paid for the current year and total gross revenues were \$348,000 and \$15,612,507, respectively.

Revenue debt payable at December 31, 2019, consists of the following:

Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Bldg Corp 2006 LR Bonds	09/06/06	12/01/22	4% to 4.05%	\$ 9,900,000	\$ 665,000
Bldg Corp 2007 LR Bonds	01/25/07	06/01/23	4% to 4.5%	8,565,000	105,000
Bldg Corp 2015 LR Bonds	04/29/15	11/15/25	3% to 4%	8,850,000	<u>8,850,000</u>
Total Governmental Activities - Revenue Debt					<u><u>\$ 9,620,000</u></u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Revenue Debt	
	Principal	Interest
2020	\$ 235,000	\$ 377,514
2021	245,000	367,483
2022	260,000	357,304
2023	230,000	347,175
2024	2,910,000	340,500
2025	5,740,000	172,700
Totals	<u>\$ 9,620,000</u>	<u>\$ 1,962,676</u>

Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The County has pledged future tax increment revenues to repay TIF bonds issued in 2017 and 2018. Proceeds from the bonds provided financing for the Love's Project and Northwest Gateway project. The bonds are payable solely from tax increment revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require 0.46% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$3,315,253. Principal and interest paid for the current year and total gross revenues were \$25,261 and \$5,495,058, respectively.

Tax Increment Financing Bonds at December 31, 2019, consists of the following:

Governmental Activities					Balance
Tax Increment Financing Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2019
2018 TIF - NW Gateway	12/11/18	01/15/43	3.75% to 4%	\$ 1,000,000	\$ 990,000
2017 TIF - Love's Project	9/14/17	01/15/40	0%	1,900,000	<u>1,900,000</u>
Total Governmental Activities Tax Increment Financing Bonds					<u>\$ 2,890,000</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Tax Increment Financing Bonds (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Tax Increment Financing Bonds	
	Principal	Interest
2020	\$ 25,000	\$ 35,613
2021	30,000	34,513
2022	30,000	33,313
2023	35,000	32,113
2024	40,000	30,613
2025-2029	205,000	118,584
2030-2034	270,000	91,900
2035-2039	255,000	40,919
2040-2043	<u>2,000,000</u>	<u>7,688</u>
Totals	<u>\$ 2,890,000</u>	<u>\$ 425,256</u>

Capital Leases

Refer to Note III. F.

F. LEASE DISCLOSURES

Lessee - Capital Leases

The County has entered into multiple agreements to acquire capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 594,015	\$ -	\$ 594,015
2021	167,657	-	167,657
2022	152,241	-	152,241
2023	152,473	-	152,473
2024	<u>23,860</u>	<u>-</u>	<u>23,860</u>
Totals	<u>\$ 1,090,246</u>	<u>\$ -</u>	<u>\$ 1,090,246</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets

Land	\$ 889,041
Other capital assets, net of accumulated depreciation	383,146,305
Less: Long-term debt outstanding	(45,885,000)
Less: Unamortized debt premium	(1,816,902)
Less: Loss on refunding of debt	563,926
Less: Capital leases outstanding	<u>(1,090,246)</u>

Total Net Investment in Capital Assets \$ 335,807,124

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	LIT - Economic Development	LIT - Special Purpose	LIT - Public Safety	Major Moves	Rainy Day	Major Bridge	Nonmajor Funds	Totals
Fund Balances									
Restricted for:									
Health and welfare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,235,182	\$ 3,235,182
Culture and recreation	-	-	-	-	-	-	-	1,596,163	1,596,163
Economic Development	-	4,926,637	9,130,165	-	-	-	-	643,890	14,700,692
Highways and streets	-	-	-	-	-	-	-	4,503,833	4,503,833
Public safety	-	-	-	2,928,634	-	-	-	5,642,840	8,571,474
Capital projects	-	-	-	-	31,226,293	-	-	28,874,863	60,101,156
Debt service	-	-	-	-	-	-	-	8,567,941	8,567,941
Other	-	-	-	-	-	-	-	4,548,435	4,548,435
Sub-total	<u>-</u>	<u>4,926,637</u>	<u>9,130,165</u>	<u>2,928,634</u>	<u>31,226,293</u>	<u>-</u>	<u>-</u>	<u>57,613,147</u>	<u>105,824,876</u>
Committed to:									
General government	-	-	-	-	-	18,145,614	-	-	18,145,614
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,145,614</u>	<u>-</u>	<u>-</u>	<u>18,145,614</u>
Assigned to:									
General government	735,248	-	-	-	-	-	-	-	735,248
Sub-total	<u>735,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>735,248</u>
Unassigned:	<u>18,101,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(376,116)</u>	<u>-</u>	<u>17,725,020</u>
Total Fund Balances	<u>\$18,836,384</u>	<u>\$ 4,926,637</u>	<u>\$ 9,130,165</u>	<u>\$2,928,634</u>	<u>\$ 31,226,293</u>	<u>\$18,145,614</u>	<u>\$ (376,116)</u>	<u>\$57,613,147</u>	<u>\$142,430,758</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT

ELKHART COUNTY SOLID WASTE DISTRICT

This report contains the Elkhart County Solid Waste District (District), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The District follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	<u>\$ 1,793,561</u>	<u>\$ 1,793,561</u>	Custodial

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

The District does not have any deposits exposed to custodial credit risk.

See Note I.D.1. for further information on deposit and investment policies.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Public Employees' Retirement Fund

Plan description. The County participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

PERF Hybrid Plan Description. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2019 is 11.20% percent of annual covered payroll. The rate for 2020 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the County were \$3,742,798 for the calendar year ended December 31, 2019.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Retirement Benefits. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Disability and Survivor Benefits. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.32 percent.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability

At December 31, 2019, the County reported a liability of \$20,847,020 for its proportionate share of the net pension liability. The County's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At June 30, 2019, the County's proportion was 0.63076% an increase of .03211 from 0.59865% at June 30, 2018. The net pension liability for fiscal year 2019 is calculated as set forth in the following table:

	PERF Plan Totals
Net pension liability - beginning December 31, 2018	\$ 20,336,411
Total pension expense	3,824,596
Change in deferred outflows of resources	31,693
Change in deferred inflows of resources	298,331
Defined benefit plan Employer Contributions	(3,644,011)
Net pension liability - December 31, 2019	\$ 20,847,020

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 552,022	\$ -
Changes in assumptions	4,641	2,266,225
Net differences between projected and actual earnings on pension plan investments	-	985,386
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,152,009	13,085
Employer contributions subsequent to the measurement date	1,900,499	-
Totals	\$ 3,609,171	\$ 3,264,696

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

\$1,900,499 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. 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>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (356,890)
2021	(1,076,214)
2022	(46,410)
2023	(76,510)

Pension Expense. The County recognized pension expense for the following proportionate share of pension expense:

<u>Pension Expense</u>	
Proportionate share of plan pension expense	\$ 3,299,434
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>525,162</u>
Total	<u>\$ 3,824,596</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Key Methods and Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	June 30, 2019
Assets:	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to June 30, 2019 measurement date.
Liabilities:	
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 4 years ended June 30, 2014
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - 0.60%
Salary increases, including inflation:	2.50% - 4.25%
Inflation	2.25%
Mortality:	
Health:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Disability:	RP-2014 Disability Mortality Table, with Social Security Administration generational improvement scale from 2006

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Change in Assumptions. In 2019, there were no changes to assumptions that impacted the net pension liability during the fiscal year.

In 2018, SEA 373 replaced the 1% COLA assumption with a COLA of 0.40/0.50/0.60%, which lowered the actuarial accrued liabilities for those funds.

In 2015, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions, dependent assumptions, future salary increase assumptions, inflation assumptions, and COLA assumptions.

Plan Amendments. In 2019, PERF was modified pursuant to HEA 1059. Previously, statute generally required PERF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return %
Public Equity	22%	4.9%
Private Equity	14	7.0
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

Discount rate. The discount rate used to measure the total pension liability was 6.75% as of June 30, 2019 and is equal to the long-term expected return on plan investments.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
County's proportionate share of the net pension liability	\$33,480,589	\$20,847,020	\$10,309,656

Sheriff's Retirement Plan

Plan description. The Elkhart County Police Retirement Plan (Plan) is a single-employer defined benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the Elkhart County Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10-12 grants the authority to the Employer and a trustee to establish and amend the benefit terms to the Plan with approval of the county fiscal body. The Plan was established on November 1, 1967 and is administered by the Committee. The composition of the Committee, according to the Plan legal document, shall be the Sheriff and the Merit Board (the Merit Board, per IC 36-8-10-3, consists of five (5) members, three (3) members appointed by the Sheriff, and two (2) members elected by a majority vote of the members of the county police force).

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	65
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	72
Total	147

Benefits Provided. The Plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime equal to two and one-half percent (2-1/2%) of the member's average monthly wage received during the highest paid sixty (60) consecutive calendar months before retirement plus one dollar (\$1.00); this sum multiplied by the member's years of credited service up to twenty (20) years; plus an additional two percent (2%) of the member's average monthly wage, as outlined above, multiplied by the member's years of credited service in excess of twenty (20) years up to an additional twelve (12) years. Members are eligible to retire as of normal retirement for an unreduced benefit upon attainment of age fifty-five (55) and completion of at least ten (10) years of service (age fifty (50) for participants hired prior to January 1, 2018).

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

A reduced early retirement benefit is available to members with at least twenty (20) years of credited service with the reduction being the equivalent actuarial value to the deferred pension at his normal retirement date to reflect the period by which the date the member's early retirement pension begins precedes his normal retirement date.

A member who continues employment beyond his normal retirement age shall be eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the thirty-two (32) year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten (10) years of credited service (five (5) years of credited service for participants hired prior to January 1, 2018) is a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten (10) years of credited service (five (5) years of credited service for participants hired prior to January 1, 2018), a member may elect to receive either a lump sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of his date of severance, with payments commencing on the member's normal retirement date.

If a member separates employment due to disability, he shall receive a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member or the purchase of credited service.

In the event an unmarried member dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to receive a death benefit which shall be a lump sum equal to his net amount of contributions (including interest) and a plus the amount transferred by the member for the purchase of credited service.

In the event a member survived by a spouse or dependent child(ren) under eighteen (18) years of age dies prior to the commencement of any benefit from the Plan, the surviving spouse shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a lump sum equal to the equivalent actuarial value of the Employer-funded portion of the accrued benefit multiplied by the appropriate vesting percentage. Such benefit shall be payable first to a surviving spouse, in any, and if no spouse is then living, then in equal amounts to the dependent child(ren).

Contributions. Plan member's contributions are authorized by state statute (IC 36-8-10-12) and may not exceed 6% of the employee's average monthly wages. The plan member's contributions are paid by the employer. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the department must be sufficient, as determined by the pension engineers to prevent deterioration in the actuarial status of the trust during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the actuarially determined Employer's contribution rate was 28.8% of annual payroll, \$4,694,424 which was contributed by the County.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Retirement Plan (cont.)

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per Plan legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2016:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Fixed Income	35%
Equity	60%
Alternative	5%

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 19.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program. The Deferred Retirement Option Program (DROP) for the Plan was established on January 1, 2018 pursuant to the Plan's legal document and is governed by the Employer and a trustee. Members of the Plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

A member who has attained age fifty-five (55) and completed at least ten (10) years of service (age fifty (50) for participants hired prior to January 1, 2018) may irrevocably elect to enter the DROP for a period not longer than three (3) years and shall not extend beyond the date the member is credited with thirty-two (32) years of service. From the date the member enters the DROP, he will not be credited with any additional years of service. The member's DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member's salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive their DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2019, the balance of the amounts held by the plan pursuant to the DROP is \$0.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability

The components of the net pension liability of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 27,415,760
Plan fiduciary net position	<u>(23,042,450)</u>
Plan's net pension liability	<u>\$ 4,373,310</u>
Plan fiduciary net position as a % of the total pension liability	<u>84.05%</u>

Pension Expense of the Plan. Pension expense of \$1,026,424 was recognized for fiscal year ending December 31, 2019.

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 2019 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	Not Applicable
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 31,030,513	\$ 27,415,760	\$ 24,435,780
Plan fiduciary net position	<u>(23,042,450)</u>	<u>(23,042,450)</u>	<u>(23,042,450)</u>
 Net Pension Liability/(Asset)	 <u>\$ 7,988,063</u>	 <u>\$ 4,373,310</u>	 <u>\$ 1,393,330</u>

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,272	\$ 292,814
Changes in assumptions	451,977	88,519
Net differences between projected and actual earnings on pension plan investments	<u>1,305,867</u>	<u>2,479,486</u>
 Totals	 <u>\$ 2,131,116</u>	 <u>\$ 2,860,819</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (301,075)
2021	(258,079)
2022	128,263
2023	(329,151)
2024	30,339

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 5.229 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability (cont.)

Assumption changes. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan

Plan description. The Elkhart County, IN Sheriff Benefit Plan (Plan) is a single-employer defined benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the Elkhart County, IN Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10 Sections 14, 15, 16, and 17 grant the authority to the Employer and trustee to establish and amend the benefit terms to the Plan with the approval of the county fiscal body. The Plan was established on January 1, 1976 and is administered by the Committee. The composition of the Committee, according to the Plans legal document, shall be the Sheriff and the Merit Board (the Merit Board, per IC 36-8-10-3, consist of five members, three members appointed by the Sheriff and two members elected by the majority vote of the members of county police force).

At December 31, 2019, Plan membership consisted of the following:

Active plan members	<u>72</u>
Total	<u><u>72</u></u>

If an eligible member becomes disabled, the benefit payable prior to age sixty-five (65) shall be determined in accordance with the contract issued by the insurance company provided for the member by the Plan. A member receiving an insurance benefit who attains his sixty-fifth (65th) birthday, whereupon the benefit provided under the insurance contract terminates, shall be entitled to a monthly benefit from the Plan for life in the amount of the monthly benefit to which the member would have been entitled under the Retirement Plan had he remained in service until his normal retirement date and continued to earn a salary at the same rate that was in effect as of the date the disability commenced.

Each eligible member shall be insured by a life insurance contract in an amount not to exceed one and one-half (1-1/2) times basic annual earnings, with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided by the Plan.

In the event that an eligible member dies prior to the termination of his employment for whatever reason, there shall be payable a two hundred dollar (\$200) monthly benefit to such member's surviving spouse to whom he was married on the date of his death for the spouse's remaining lifetime.

In addition to the surviving spouse's death benefit, a monthly benefit shall be payable on behalf of each dependent child under the age of eighteen (18) years of such deceased member in an amount equal to thirty dollars (\$30) per month. The dependent child's monthly benefit will cease upon the earlier of the child's eighteenth (18th) birthday or date of death.

Contributions. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the County must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the actuarially determined Employer's contribution rate was .5% of annual payroll, \$4,694,424 which was contributed by the County.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Benefit Plan (cont.)

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per the Plans legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2016:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	35%
Fixed income	60%
Non-traditional assets	5%

Net Pension Asset

The components of the net pension asset of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 124,799
Plan fiduciary net position	<u>(291,044)</u>
Plan's net pension liability/(asset)	<u>\$ (166,245)</u>
Plan fiduciary net position as a % of the total pension liability	<u>233.21%</u>

Pension Expense of the Plan. Pension expense of \$25,840 was recognized for fiscal year ending December 31, 2019.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Asset (cont.)

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 2019 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	Not Applicable
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Asset (cont.)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 160,859	\$ 124,799	\$ 97,298
Plan fiduciary net position	(291,044)	(291,044)	(291,044)
 Net Pension Liability/(Asset)	 \$ (130,185)	 \$ (166,245)	 \$ (193,746)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,714	\$ 73,070
Changes in assumptions	20,154	5,826
Net differences between projected and actual earnings on pension plan investments	15,166	34,654
Totals	\$ 39,034	\$ 113,550

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Asset (cont.)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2020	\$ (12,389)
2021	(11,128)
2022	(7,966)
2023	(13,021)
2024	(6,254)
Thereafter	(23,758)

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 10.61 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Asset (cont.)

Assumption changes. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

Statement of Fiduciary Net Position

<u>Assets</u>	Sheriff's Retirement Plan	Sheriff's Benefit Plan
Cash and cash equivalents	\$ 871,234	\$ 9,405
Receivables:		
Interest	34,223	164
Investments at fair value:		
Fixed income securities	7,650,296	93,000
Domestic and foreign equities	14,490,585	188,475
Total assets	23,046,338	291,044
<u>Liabilities</u>		
Payable - net benefits due and unpaid/(overpaid)	3,888	-
Net position restricted for pensions	\$ 23,042,450	\$ 291,044

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Asset (cont.)

Statement of Changes in Fiduciary Net Position

	Sheriff's Retirement Plan	Sheriff's Benefit Plan
<u>Additions</u>		
Contributions:		
Employer contributions	\$ 1,312,940	\$ 20,961
Employee contributions	218,108	-
Other	-	15,807
Investment income:		
Interest	506,887	6,064
Net increase in fair value of assets	3,156,109	44,062
Total additions	<u>5,194,044</u>	<u>86,894</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	1,132,875	-
Other trust activities	101,374	37,576
Total deductions	<u>1,234,249</u>	<u>37,576</u>
Change in fiduciary net position	3,959,795	49,318
Net position, beginning	19,082,655	241,726
Net position, ending	<u>\$ 23,042,450</u>	<u>\$ 291,044</u>

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)

	Sheriff's Retirement Plan	Sheriff's Benefit Plan
Service costs	\$ 739,465	\$ 20,602
Interest	1,722,577	10,037
Difference between expected and actual experience	275,327	(28,175)
Change in assumptions	417,422	(5,761)
Benefit payments	<u>(1,132,875)</u>	<u>-</u>
Net change in total pension liability	2,021,916	(3,297)
Total pension liability - beginning	25,393,844	128,096
Total pension liability - ending	<u>\$ 27,415,760</u>	<u>\$ 124,799</u>
Net pension liability (asset) - ending	<u>\$ 4,373,310</u>	<u>\$ (166,245)</u>

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self Insurance

For Property claims, the uninsured risk of loss is \$100,000 for a policy year. The County has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For Liability claims, the uninsured risk of loss is \$200,000 for a policy year. The County has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For Worker's Compensation claims, the uninsured risk of loss is \$400,000 for a policy year. The County has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For Health Insurance claims, the uninsured risk of loss is \$140,000 per incident and \$11,981,491 in the aggregate for a policy year. The County has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the County participate in the risk management program. Amounts payable to the self-insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other non-incremental costs to the claims liability.

Claims Liability

	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 841,215
Current year claims and changes in estimates	14,601,646
Claim payments	<u>(14,483,808)</u>
 Unpaid Claims - End of Year	 <u><u>\$ 959,053</u></u>

Note: Prior year data is unavailable

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The County has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$ 734,248
LIT - Economic Development	6,607,627
Major Moves	1,261,976
LIT - Special Distribution	4,620
Major Bridge	150,844
Nonmajor funds:	
Cumulative Bridge	654,452
Cumulative Capital Development	219,274
Cumulative Drainage	1,266,314
Economic Development Fee	278,000
Local Road and Street	603,354
MVH - Restricted	1,328,448
Park and Recreation	179,691
Statewide 911	157,336
CR6 & CR 17 Improvement TIF	2,784,291
Environmental/Special Projects	56,336
Road Maintenance and Construction	435,004
Park and Recreation Donation	41,328
Horn Ditch Project Phase 2	<u>111,958</u>
Total	<u>\$ 16,875,101</u>

D. OTHER POSTEMPLOYMENT BENEFITS

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The County administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance benefits for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. At December 31, 2019, there were 833 plan members. Plan members are not required to contribute a percentage of covered salary. The County is required to contribute 100% of annual covered payroll. For the year ended December 31, 2019, \$0 was contributed by plan members and \$1,054,056 was contributed by the employer. Plan provisions and contribution requirements are established and may be amended by the County council.

General Information about the OPEB Plan

Plan description and benefits. The County's plan provides comprehensive lifetime medical benefits to eligible retirees once are sixty-five with four years of service (for all employees), for members of Indiana Public Retirement System (INPRS), the earlier of age sixty-two with ten years of service or age fifty with fifteen years of service. Merit and PSCC employees must be age fifty with twenty years of service to be eligible. For pre-Medicare retirees, there is no spouse coverage upon retiree's death as spouses are only eligible for COBRA coverage. Coverage continues to surviving spouse upon retiree's death for Medicare retirees.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	180
Active plan members	<u>833</u>
Total	<u><u>1,013</u></u>

Total OPEB Liability

The County's total OPEB liability of \$43,178,970 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% per year
Salary increases	2% declining to .25% for General and .25% for Public Safety

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Total OPEB Liability (cont.)

Healthcare cost trend rates

Health care trend rates have been updated to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. Dental trend rates have been reset to an initial rate of 5.0% decreasing by 0.25% annually to an ultimate rate of 4.0%. These changes have caused a slight decrease in liabilities.

Retirees' share of benefit-related costs

\$600 retiree contribution

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality table for healthy retirees has been updated from RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019. This change has caused a slight decrease in liabilities

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of a census study for the period January 1, 2019 to December 31, 2019.

CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balances at December 31, 2018	\$ <u>49,842,376</u>
Changes for the year:	
Service cost	2,237,396
Interest	2,119,036
Differences between expected and actual experience	(15,285,007)
Changes in assumptions or other inputs	5,319,225
Benefit payments	<u>(1,054,056)</u>
Net changes	<u>(6,663,406)</u>
Balances at December 31, 2019	\$ <u><u>43,178,970</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.11 percent in 2018 to 3.26 percent in 2019.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Total OPEB Liability (cont.)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Net OPEB liability	\$ 53,978,905	\$ 43,178,970	\$ 35,131,857

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.00 percent decreasing to 3.50 percent) or 1-percentage-point higher (9.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	1% Decrease (7.00%) Decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00%) Decreasing to 4.50%)	1% Increase (9.00%) Decreasing to 5.50%)
Net OPEB liability	\$ 34,560,963	\$ 43,178,970	\$ 54,981,816

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$2,695,469. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,737,506
Changes of assumptions or other inputs	4,432,687	-
Total	\$ 4,432,687	\$ 12,737,506

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

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2019	\$ (1,660,963)
2020	(1,660,963)
2021	(1,660,963)
2022	(1,660,963)
2023	(1,660,963)

E. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the County. As of the date above, the County's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact several areas as listed below.

The extent of the impact of COVID-19 on the County's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Potential impacts include but are not limited to:

- (a) Investment valuations and decreased investment income
- (b) Declines in revenues such as sales tax, income tax, state aids, fines or tickets etc.
- (c) Decline in demand for services such as utilities, transit, recreational enterprise activities or permits & licenses
- (d) Increase in delinquencies or uncollectible accounts receivable or loans receivable
- (e) Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- (f) Increase in demand for services as a result of increased unemployment
- (g) Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

Supplemental Income Tax ("LIT") Distribution

Indiana Code Citation IC 6-3.6-9-15 requires the State Budget Agency to provide the amount of supplemental distributions for qualifying counties to the Department of Local Government Finance before May 2nd. The supplemental distribution is disbursed to counties that have a balance in the county trust account exceeding fifteen percent (15%) of the certified distribution to be made to the county in the year of determination.

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. SUBSEQUENT EVENTS (cont.)

For County's expected amount of the distribution is \$379,308 for IC 6-3.6-6-3(a)(2) Certified Shares, \$1,912,460 for Certified Shares, \$749,454 for Public Safety-LIT and \$733,066 for Economic Development LIT. The distribution will be deposited into the respective LIT funds for each revenue source.

On November 05, 2020, the County issued \$33,545,000 of Criminal Justice Facility Bonds, Series 2020, for the purpose of financing all or any portion of the costs of the acquisition of real estate and the construction and equipping of new court and other criminal justice facilities of the County.

F. TAX ABATEMENT

Under the state statute, IC 6-1.1-12.1 the County provides tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

Tax Abatements - Real Property (I.C. 6-1.1-12.1)

The abatements are obtained through application by the property owner, approval by the County Council, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the County is willing to forgo tax revenues (real property tax) and the property owner promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the percentage of reduction to be applied to the eligible assessed value.

Tax Abatements – Personal Property Tax (I.C. 6-1.1-12.1)

The County Council approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30% of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the reduction in personal property tax to be applied.

Vacant Building Abatement (I.C. 6-1.1-12.1-4.8)

Up to a two year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for

ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT (cont.)

commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the Council. Prior approval of the Council must occur before occupying the facility and the Council determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the County generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

The County estimated gross amount, on an accrual basis, by which the County's property tax revenues (payable 2019 taxes) were reduced are also affected by abatements approved by other taxing units in Elkhart County. The estimated allocated portion of abatements approved by Elkhart County totaled \$156,110. Abatements from other taxing districts in Elkhart County are considered immaterial. Tax abatements are comprised of the following programs:

Real property tax abatement	\$	57,725
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ELKHART COUNTY, IN

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

F. TAX ABATEMENT (cont.)

Vacant building abatements	-
Personal property tax abatements	<u>98,385</u>
Total	<u>\$ 156,110</u>

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2019 to approximate \$156,110, the actual extent of lost revenues is something less than this amount and cannot be reasonably determined due to the application of circuit breaker credits.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

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ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 26,372,678	\$ 26,372,678	\$ 24,546,998	\$ (1,825,680)
Other	-	-	610,366	610,366
Licenses and Permits	584,000	584,000	-	(584,000)
Intergovernmental	22,609,550	22,415,545	26,091,177	3,675,632
Charges for Services	2,274,968	2,274,968	2,867,954	592,986
Fines, Forfeitures, and Fees	695,200	695,200	1,116,614	421,414
Interest	2,564,666	2,564,666	4,297,275	1,732,609
Refunds and Reimbursements	50,000	50,000	300	(49,700)
Miscellaneous	-	-	813,340	813,340
Total Revenues	55,151,062	54,957,057	60,344,024	5,386,967
Expenditures:				
General Government:				
Clerk				
Personal Services	1,660,995	1,660,995	1,497,824	163,171
Supplies	62,600	62,500	48,649	13,851
Other Services and Charges	204,500	205,600	188,511	17,089
Auditor				
Personal Services	527,672	527,672	486,882	40,790
Supplies	11,000	11,000	9,558	1,442
Other Services and Charges	34,607	34,607	24,913	9,694
Treasurer				
Personal Services	280,769	280,769	242,719	38,050
Supplies	21,025	21,025	9,307	11,718
Other Services and Charges	78,275	78,275	60,549	17,726
Recorder				
Personal Services	148,946	148,946	145,825	3,121
Surveyor				
Personal Services	294,485	294,485	278,424	16,061
Supplies	12,100	12,100	6,447	5,653
Other Services and Charges	16,925	16,925	4,986	11,939
County Assessor				
Personal Services	888,679	888,679	803,695	84,984
Supplies	16,350	16,350	8,229	8,121
Other Services and Charges	56,240	56,240	46,303	9,937
Prosecuting Attorney				
Personal Services	2,325,381	2,325,381	2,214,761	110,620
Supplies	52,500	52,500	52,500	0
Other Services and Charges	116,275	116,275	116,172	103
Cooperative Extension Service				
Personal Services	177,038	177,038	174,993	2,045
Supplies	12,500	11,524	3,533	7,991
Other Services and Charges	375,527	375,527	359,566	15,961
Capital Outlay	-	976	975	1
TWP Assessor				
Personal Services	373,539	396,835	375,257	21,578
Supplies	3,000	5,500	4,534	966
Other Services and Charges	10,018	7,518	5,203	2,315
County Council				
Personal Services	129,221	130,421	130,058	363
Supplies	150	650	439	211
Other Services and Charges	5,740	5,290	3,151	2,139
PTABOA Board				
Personal Services	12,000	12,000	8,000	4,000
Supplies	500	500	-	500
Other Services and Charges	50,000	50,000	30,406	19,594

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Commissioners				
Personal Services	15,394,217	15,406,217	14,403,658	1,002,559
Supplies	9,300	9,300	9,132	168
Other Services and Charges	4,910,794	5,262,083	5,036,368	225,715
Capital Outlay	-	415,490	415,490	-
Plan Commission				
Personal Services	396,693	399,693	390,761	8,932
Supplies	4,500	4,500	3,984	516
Other Services and Charges	93,446	115,446	110,813	4,633
Debt Service	25	25	-	25
Personnel				
Personal Services	247,057	247,057	244,321	2,736
Supplies	10,450	8,590	4,917	3,673
Other Services and Charges	44,600	44,600	11,743	32,857
Capital Outlay	-	1,860	1,808	52
Court Services				
Personal Services	2,795,805	2,848,688	2,829,498	19,190
Supplies	40,000	32,000	31,528	472
Other Services and Charges	189,095	242,512	238,685	3,827
Superior Court No. 1				
Personal Services	289,220	279,220	271,802	7,418
Supplies	23,500	23,500	15,189	8,311
Other Services and Charges	21,120	31,120	26,898	4,222
Superior Court No. 2				
Personal Services	244,369	244,369	201,304	43,065
Supplies	7,900	7,900	6,952	948
Other Services and Charges	15,507	14,707	13,026	1,681
Capital Outlay	-	800	800	-
Superior Court No. 3				
Personal Services	382,149	382,149	268,108	114,041
Supplies	17,310	17,310	13,956	3,354
Other Services and Charges	29,275	29,275	22,280	6,995
Superior Court No. 4				
Personal Services	247,659	247,659	235,463	12,196
Supplies	13,275	10,775	10,158	617
Other Services and Charges	7,100	9,600	7,870	1,730
Superior Court No. 5				
Personal Services	381,120	376,120	342,919	33,201
Supplies	13,000	13,000	8,628	4,372
Other Services and Charges	13,880	17,040	13,460	3,580
Capital Outlay	-	1,840	1,840	-
Superior Court No. 6				
Personal Services	216,254	216,254	203,999	12,255
Supplies	5,315	5,315	2,147	3,168
Other Services and Charges	20,869	20,869	16,283	4,586
Debt Service	7,525	7,525	7,274	251
Circuit Court				
Personal Services	383,096	383,096	296,833	86,263
Supplies	12,700	12,700	10,821	1,879
Other Services and Charges	16,500	16,500	14,539	1,961
Public Defender				
Personal Services	1,686,224	1,753,640	1,702,077	51,563
Supplies	19,190	20,390	15,258	5,132
Other Services and Charges	45,300	67,025	52,830	14,195
Debt Service	-	2,800	2,778	22
Records				
Personal Services	205,269	205,269	202,888	2,381
Supplies	4,500	4,500	167	4,333
Other Services and Charges	7,510	7,510	6,427	1,083

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Buildings and Grounds				
Personal Services	839,581	839,581	794,918	44,663
Supplies	177,600	177,600	152,946	24,654
Other Services and Charges	1,081,000	1,363,000	1,069,637	293,363
Home-Rule Department #10				
Personal Services	43,826	44,526	44,234	292
Supplies	10,936	10,236	9,207	1,029
Other Services and Charges	2,180	2,180	1,455	725
Home-Rule Department #17				
Personal Services	38,440	38,440	37,510	930
Supplies	2,150	1,720	552	1,168
Other Services and Charges	5,480	5,910	4,685	1,225
Juvenile Court				
Personal Services	292,596	292,596	279,468	13,128
Supplies	3,000	3,000	2,901	99
Other Services and Charges	64,765	64,765	60,431	4,334
Debt Service	2,245	1,245	1,085	160
Clerk IV-D Court				
Personal Services	370,616	370,616	307,020	63,596
Supplies	1,220	1,220	233	987
Other Services and Charges	15,414	15,414	4,932	10,482
Debt Service	4,108	4,108	3,981	127
Administrative				
Personal Services	-	-	1,383	(1,383)
Supplies	-	-	50	(50)
Other Services and Charges	-	-	1,068,075	(1,068,075)
Capital Outlay	-	-	25,728	(25,728)
 Total General Government	39,386,332	40,688,098	38,940,479	1,747,620
 Public Safety:				
Sheriff				
Personal Services	6,522,596	6,522,596	6,182,055	340,541
Other Services and Charges	1,595,910	1,595,910	1,587,476	8,434
Victim Assistance				
Personal Services	383,163	383,163	374,334	8,829
Supplies	4,076	4,076	3,627	449
Other Services and Charges	9,626	9,626	9,103	523
Weights and Measures				
Personal Services	63,934	63,934	58,566	5,368
Supplies	3,500	3,500	3,032	468
Other Services and Charges	3,480	3,480	2,209	1,271
Code Enforcement				
Personal Services	466,287	466,287	457,598	8,689
Supplies	23,050	23,050	14,890	8,160
Other Services and Charges	102,726	102,726	92,242	10,484
Work Release				
Personal Services	717,229	717,229	646,384	70,845
Other Services and Charges	64,985	64,985	60,517	4,468
Emergency Management				
Personal Services	144,848	144,848	142,933	1,915
Supplies	5,500	6,051	5,890	161
Other Services and Charges	10,435	9,884	9,249	635
Capital Outlays	-	-	-	-
 Total Public Safety	10,121,345	10,121,345	9,650,104	471,241

Health and Human Services:
Coroner

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Personal Services	112,497	112,497	104,563	7,934
Supplies	5,850	6,550	1,710	4,840
Other Services and Charges	293,625	291,425	185,609	105,816
Capital Outlay	-	1,500	1,230	270
Veterans Service				
Personal Services	114,916	114,916	111,756	3,160
Supplies	9,440	10,920	10,234	686
Other Services and Charges	36,300	34,470	27,292	7,178
Capital Outlay	-	350	-	350
Drainage Board				
Personal Services	7,850	7,850	5,975	1,875
Other Services and Charges	250	250	-	250
IV-D Program (Child Support)				
Personal Services	1,652,964	1,652,964	1,635,238	17,726
Supplies	21,750	21,750	20,773	978
Other Services and Charges	241,700	241,700	240,469	1,231
Soil & Water				
Personal Services	102,019	102,019	100,468	1,551
Supplies	4,625	4,625	2,581	2,044
Other Services and Charges	13,700	14,800	11,760	3,040
Total Health and Human Services	2,617,486	2,618,586	2,459,657	158,929
Total Expenditures	52,125,163	53,428,029	51,050,239	2,377,790
Excess (deficiency) of revenues over (under) expenditures	3,025,899	1,529,028	9,293,785	3,009,177
Other Financing Source (Uses):				
Transfers In	15,000	15,000	18,065	3,065
Transfers Out	-	-	(9,871,637)	9,871,637
Total Other Financing Source (Uses)	15,000	15,000	(9,853,572)	9,874,702
Net Change in Fund Balances	3,040,899	1,544,028	(559,787)	(2,103,815)
Fund Balance - Beginning	17,772,681	17,772,681	17,772,681	-
Fund Balance - Ending	\$ 20,813,580	\$ 19,316,709	\$ 17,212,894	\$ (2,103,815)

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIT ECONOMIC DEVELOPMENT
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,211,824	\$ 7,211,824
Charges for Services	10,000	-	-	-
Miscellaneous	-	-	131,147	131,147
Total Revenues	<u>10,000</u>	<u>-</u>	<u>7,342,971</u>	<u>7,342,971</u>
General Government:				
Administrative				-
Other Services and Charges	-	234,199	207,199	27,000
Capital Outlay	-	5,571,413	5,848,669	(277,256)
Debt Service	-	800,000	800,000	-
Total Expenditures	<u>-</u>	<u>6,605,612</u>	<u>6,855,868</u>	<u>(250,256)</u>
Excess (deficiency) of revenues over (under) expenditures	10,000	(6,605,612)	487,103	7,092,715
Fund Balance - Beginning	<u>10,097,956</u>	<u>10,097,956</u>	<u>10,097,956</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 10,107,956</u>	<u>\$ 3,492,344</u>	<u>\$ 10,585,059</u>	<u>\$ 7,092,715</u>

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIT SPECIAL PURPOSE
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,529,706	\$ -	\$ 15,491,102	\$ 15,491,102
Miscellaneous	-	-	1,220,199	1,220,199
Total Revenues	<u>14,529,706</u>	<u>-</u>	<u>16,711,301</u>	<u>16,711,301</u>
Expenditures:				
General Government:				
Buildings and Grounds				
Supplies	216,000	216,000	176,836	39,164
Other Services and Charges	1,222,000	1,222,000	1,155,590	66,410
Total General Government	<u>1,438,000</u>	<u>1,438,000</u>	<u>1,332,426</u>	<u>105,574</u>
Public Safety:				
Sheriff				
Supplies	158,200	183,175	183,134	41
Other Services and Charges	3,602,070	3,802,070	3,801,180	890
Capital Outlay	-	25	25	1
Total Public Safety	<u>3,760,270</u>	<u>3,985,270</u>	<u>3,984,339</u>	<u>931</u>
Total Expenditures	<u>5,198,270</u>	<u>5,423,270</u>	<u>5,316,765</u>	<u>106,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,331,436</u>	<u>(5,423,270)</u>	<u>11,394,536</u>	<u>16,817,806</u>
Other Financing Source (Uses):				
Transfers Out	<u>(6,886,938)</u>	<u>(6,897,537)</u>	<u>(6,886,938)</u>	<u>(10,599)</u>
Total Other Financing Source (Uses)	<u>(6,886,938)</u>	<u>(6,897,537)</u>	<u>(6,886,938)</u>	<u>(10,599)</u>
Net Change in Fund Balances	2,444,498	(12,320,807)	4,507,598	16,828,405
Fund Balance - Beginning	<u>4,833,893</u>	<u>4,833,893</u>	<u>4,833,893</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,278,391</u>	<u>\$ (7,486,914)</u>	<u>\$ 9,341,491</u>	<u>\$ 16,828,405</u>

ELKHART COUNTY, IN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LIT PUBLIC SAFETY COUNTY SHARE
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,050,137	\$ -	\$ 6,985,282	\$ 6,985,282
Miscellaneous	-	-	2,376	2,376
Total Revenues	<u>6,050,137</u>	<u>-</u>	<u>6,987,658</u>	<u>6,987,658</u>
Expenditures:				
Public Safety:				
Administrative				
Personal Services	5,354,276	5,354,276	5,183,313	170,963
Supplies	505,800	505,800	479,033	26,767
Other Services and Charges	203,489	298,489	197,597	100,892
Capital Outlay	-	15,000	-	15,000
Total Expenditures	<u>6,063,565</u>	<u>6,173,565</u>	<u>5,859,943</u>	<u>313,622</u>
Excess (deficiency) of revenues over (under) expenditures	(13,428)	(6,173,565)	1,127,715	6,674,036
Fund Balance - Beginning	<u>1,309,128</u>	<u>1,309,128</u>	<u>1,309,128</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,295,700</u>	<u>\$ (4,864,437)</u>	<u>\$ 2,436,843</u>	<u>\$ 6,674,036</u>

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 RAINY DAY
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 157,965	\$ 157,965
Total Revenues	-	-	157,965	157,965
Other Financing Source (Uses):				
Transfers In	-	-	9,871,637	9,871,637
Total Other Financing Source (Uses)	-	-	9,871,637	9,871,637
Net Change in Fund Balances	-	-	10,029,602	10,029,602
Fund Balance - Beginning	8,116,012	8,116,012	8,116,012	-
Fund Balance - Ending	<u>\$ 8,116,012</u>	<u>\$ 8,116,012</u>	<u>\$ 18,145,614</u>	<u>\$ 10,029,602</u>

ELKHART COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2019

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenue are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	General	LIT Economic Development	LIT Special Purpose	LIT Public Safety County Share	Rainy Day
Net changes in fund balances (budgetary basis)	\$ (559,787)	\$ 487,103	\$ 4,507,598	\$ 1,127,715	\$ 10,029,602
Adjustments					
To adjust revenues for accruals	22,301,687	(1,223,056)	-	(1,226,556)	-
To adjust expenditures for accruals	<u>(22,405,489)</u>	<u>1,070,139</u>	<u>(197,513)</u>	<u>1,079,071</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ (663,589)</u>	<u>\$ 334,186</u>	<u>\$ 4,310,085</u>	<u>\$ 980,230</u>	<u>\$ 10,029,602</u>

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE NET PENSION LIABILITY AND RELATED RATIOS
 INPRS (PERF)

Available Data: Last 10 Years*

<u>Year Ended**</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>
June 30, 2019	0.63076%	\$ 20,847,020	\$ 32,863,346	63.44%
June 30, 2018	0.59865%	20,336,411	30,546,665	66.57%
June 30, 2017	0.58586%	26,138,399	29,065,504	89.93%
June 30, 2016	0.57898%	26,276,686	27,748,353	94.70%

Notes to Schedule:

*Information presented for the years information is available.

** The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 INPRS (PERF)

Available Data: Last 10 Years*

<u>Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
December 31, 2019	11.20%	\$ 3,742,798	\$ 33,417,839	11.20%
December 31, 2018	11.20%	3,682,215	32,876,920	11.20%
December 31, 2017	11.20%	3,155,766	28,176,482	11.20%

Notes to Schedule:

*Information presented for the years information is available.

** The data provided in the schedule is based on the county's fiscal year.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S RETIREMENT PLAN
 Available Data: Last 10 Years*

Sheriff's Retirement Plan	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY						
Service cost	\$ 739,465	\$ 732,291	\$ 576,709	\$ 551,403	\$ 505,313	\$ 407,771
Interest	1,722,577	1,627,572	1,417,185	1,419,103	1,339,561	1,287,677
Changes in plan provisions	-	-	1,917,703	-	-	-
Differences between expected and actual experience	275,327	198,356	(98,652)	(816,372)	165,070	94,935
Changes in assumptions	417,422	(57,817)	203,380	(170,354)	159,150	573,514
Benefit payments	<u>(1,132,875)</u>	<u>(1,061,327)</u>	<u>(1,047,678)</u>	<u>(1,025,460)</u>	<u>(1,050,174)</u>	<u>(965,744)</u>
Net change in Total Pension Liability	2,021,916	1,439,075	2,968,647	(41,680)	1,118,920	1,398,153
Total pension liability - beginning of year	<u>25,393,844</u>	<u>23,954,769</u>	<u>20,986,122</u>	<u>21,027,802</u>	<u>19,908,882</u>	<u>18,510,729</u>
Total pension liability - end of year (1)	<u>\$ 27,415,760</u>	<u>\$ 25,393,844</u>	<u>\$ 23,954,769</u>	<u>\$ 20,986,122</u>	<u>\$ 21,027,802</u>	<u>\$ 19,908,882</u>
PLAN FIDUCIARY NET POSITION						
County contributions	\$ 1,312,940	\$ 1,248,427	\$ 1,006,415	\$ 772,778	\$ 564,870	\$ 523,290
Employee contributions	218,108	205,694	116,728	110,132	103,137	91,932
Net transfers into (out of) trust	-	-	-	-	-	1,444
Net investment income	3,662,995	(840,740)	2,500,149	1,330,364	87,287	807,795
Benefit payments	(1,132,875)	(1,061,327)	(1,047,678)	(1,025,460)	(1,050,174)	(965,744)
Administrative expenses	(101,373)	(97,875)	(103,684)	(88,206)	(89,325)	(47,643)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,845)</u>
Net change in Plan Fiduciary Net Position	3,959,795	(545,821)	2,471,930	1,099,608	(384,205)	409,229
Plan fiduciary net position - beginning of year	<u>19,082,655</u>	<u>19,628,476</u>	<u>17,156,546</u>	<u>16,056,938</u>	<u>16,441,143</u>	<u>16,031,914</u>
Plan fiduciary net position - end of year (2)	<u>\$ 23,042,450</u>	<u>\$ 19,082,655</u>	<u>\$ 19,628,476</u>	<u>\$ 17,156,546</u>	<u>\$ 16,056,938</u>	<u>\$ 16,441,143</u>
Net Pension Liability (Asset) - End of Year (1) - (2)	<u>\$ 4,373,310</u>	<u>\$ 6,311,189</u>	<u>\$ 4,326,293</u>	<u>\$ 3,829,576</u>	<u>\$ 4,970,864</u>	<u>\$ 3,467,739</u>
Plan fiduciary net position as a percentage of the total pension liability	84.05%	75.15%	81.94%	81.75%	76.36%	82.58%
Covered payroll	\$ 4,694,424	\$ 4,206,774	\$ 4,102,702	\$ 3,796,945	\$ 3,769,583	\$ 3,434,701
County's net pension liability as a percentage of covered payroll	93.16%	150.02%	105.45%	100.86%	131.87%	100.96%

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S BENEFIT PLAN
 Available Data: Last 10 Years*

Sheriff's Benefit Plan	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY						
Service cost	\$ 20,602	\$ 18,319	\$ 14,529	\$ 14,135	\$ 12,107	\$ 9,544
Interest	10,037	8,274	6,437	7,249	6,793	4,932
Differences between expected and actual experience	(28,175)	(2,567)	(19,676)	(33,107)	(16,998)	7,956
Changes in assumptions	(5,761)	(184)	22,137	(706)	2,825	5,187
Benefit payments	-	-	-	-	-	-
Net change in Total Pension Liability	<u>(3,297)</u>	<u>23,842</u>	<u>23,427</u>	<u>(12,429)</u>	<u>4,727</u>	<u>27,619</u>
Total pension liability - beginning of year	<u>128,096</u>	<u>104,254</u>	<u>80,827</u>	<u>93,256</u>	<u>88,529</u>	<u>60,910</u>
Total pension liability - end of year (1)	<u>\$ 124,799</u>	<u>\$ 128,096</u>	<u>\$ 104,254</u>	<u>\$ 80,827</u>	<u>\$ 93,256</u>	<u>\$ 88,529</u>
PLAN FIDUCIARY NET POSITION						
County contributions	\$ 20,961	\$ 14,906	\$ 45,199	\$ 24,318	\$ 21,149	\$ 22,810
Net transfers into (out of) trust	(15,807)	(27,077)	-	-	(3,635)	(1,444)
Net investment income	50,126	(8,199)	30,324	17,393	(528)	6,830
Benefit payments	-	-	-	-	-	-
Administrative expenses	(21,769)	(21,605)	(21,009)	(16,121)	(38,845)	(21,798)
	<u>15,807</u>	<u>27,077</u>	<u>-</u>	<u>36,882</u>	<u>3,635</u>	<u>1,845</u>
Net change in Plan Fiduciary Net Position	<u>49,318</u>	<u>(14,898)</u>	<u>54,514</u>	<u>62,472</u>	<u>(18,224)</u>	<u>8,243</u>
Plan fiduciary net position - beginning of year	<u>241,726</u>	<u>256,624</u>	<u>202,110</u>	<u>139,638</u>	<u>157,862</u>	<u>149,619</u>
Plan fiduciary net position - end of year (2)	<u>\$ 291,044</u>	<u>\$ 241,726</u>	<u>\$ 256,624</u>	<u>\$ 202,110</u>	<u>\$ 139,638</u>	<u>\$ 157,862</u>
Net Pension Liability (Asset) - End of Year (1) - (2)	<u>\$ (166,245)</u>	<u>\$ (113,630)</u>	<u>\$ (152,370)</u>	<u>\$ (121,283)</u>	<u>\$ (46,382)</u>	<u>\$ (69,333)</u>
Plan fiduciary net position as a percentage of the total pension liability	233.21%	188.71%	246.15%	250.05%	149.74%	178.32%
Covered payroll	\$ 4,694,424	\$ 4,206,774	\$ 4,102,702	\$ 3,796,945	\$ 3,769,583	\$ 3,434,701
County's net pension liability (asset) as a percentage of covered payroll	-3.54%	-2.70%	-3.71%	-3.19%	-1.23%	-2.02%

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS
 SHERIFF'S RETIREMENT PLAN
 Available Data: Last 10 Years

Sheriff's Retirement Plan	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution**	\$ 1,180,116	\$ 925,002	\$ 948,001	\$ 731,805	\$ 538,245	\$ 505,673	\$ 469,536	\$ 405,400	\$ 450,946	\$ 359,361
Contributions in relation to the actuarially determined contribution	<u>1,312,940</u>	<u>1,248,427</u>	<u>1,006,415</u>	<u>772,778</u>	<u>564,870</u>	<u>523,290</u>	<u>477,831</u>	<u>408,777</u>	<u>455,646</u>	<u>359,361</u>
Contribution deficiency (excess)	\$ <u>(132,824)</u>	\$ <u>(323,425)</u>	\$ <u>(58,414)</u>	\$ <u>(40,973)</u>	\$ <u>(26,625)</u>	\$ <u>(17,617)</u>	\$ <u>(8,295)</u>	\$ <u>(3,377)</u>	\$ <u>(4,700)</u>	\$ <u>-</u>
Covered payroll**	\$ 4,206,774	\$ 4,102,702	\$ 3,796,945	\$ 3,769,583	\$ 3,434,701	\$ 2,848,022	\$ 2,979,532	\$ 3,188,476	\$ 3,003,831	\$ 3,272,069
Contributions as a percentage of covered payroll	31.21%	30.43%	26.51%	20.50%	16.45%	18.37%	16.04%	12.82%	15.17%	10.98%

Notes to schedule:

Valuation date:

**Actuarially determined contributions rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are required.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 50 for participants hired prior to January 1, 2018) or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate annuitant tables and male & female tables)

Other information:

None

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS
 SHERIFF'S BENEFIT PLAN
 Available Data: Last 10 Years

Sheriff's Benefit Plan	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution**	\$ 20,961	\$ 14,906	\$ 45,199	\$ 24,318	\$ 21,149	\$ 22,810	\$ 24,648	\$ 21,797	\$ 48,336	\$ 14,598
Contributions in relation to the actuarially determined contribution	<u>20,961</u>	<u>14,906</u>	<u>45,199</u>	<u>24,318</u>	<u>21,149</u>	<u>22,810</u>	<u>24,648</u>	<u>21,797</u>	<u>48,336</u>	<u>14,598</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll**	\$ 4,206,774	\$ 4,102,702	\$ 3,796,945	\$ 3,769,583	\$ 3,434,701	\$ 2,848,022	\$ 2,979,532	\$ 3,188,476	\$ 3,003,831	\$ 3,272,069
Contributions as a percentage of covered payroll	0.50%	0.36%	1.19%	0.65%	0.62%	0.80%	0.83%	0.68%	1.61%	0.45%

Notes to schedule:

Valuation date:

**Actuarially determined contributions rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are required.

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 50 for participants hired prior to January 1, 2017) or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Other information:

None

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SHERIFF'S RETIREMENT AND BENEFIT PLANS
 SCHEDULE OF INVESTMENT RETURNS
 Available Data: Last 10 Fiscal Years*

	Annual money-weighted rate of return	
	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
2019	19.5%	20.6%
2018	-4.4%	-3.6%
2017	14.9%	14.4%
2016	8.5%	9.8%
2015	0.3%	0.9%
2014	5.0%	4.6%
2013	9.9%	9.2%
2012	5.8%	
2011	-0.7%	
2010	10.6%	

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY
 ELKHART COUNTY'S OPEB PLAN
 Available Data: Last 10 Years*

NET OPEB LIABILITY	<u>2019</u>
TOTAL OPEB LIABILITY	
Service cost	\$ 2,237,396
Interest	2,119,036
Change in Plan Provisions	-
Differences between expected and actual experience	(15,285,007)
Changes in assumptions	5,319,225
Benefit payments	<u>(1,054,056)</u>
Net change in Total Pension Liability	(6,663,406)
Total pension liability - beginning of year	<u>49,842,376</u>
Total pension liability - end of year (1)	<u><u>\$ 43,178,970</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions	\$ 1,054,056
Net Transfers into (out of) Trust	-
Net investment income	-
Benefit payments	(1,054,056)
Administrative expenses	-
Other	<u>-</u>
Net change in Plan Fiduciary Net Position	-
Plan fiduciary net position - beginning of year	<u>-</u>
Plan fiduciary net position - end of year (2)	<u><u>\$ -</u></u>
Total OPEB Liability (Asset) - End of Year (1) - (2)	<u><u>\$ 43,178,970</u></u>

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NET OPEB LIABILITY
 ELKHART COUNTY'S OPEB PLAN
 Available Data: Last 10 Years*

	<u>2019</u>	<u>2018</u>
1. Total OPEB Liability	\$ 43,178,970	\$ 49,842,376
2. Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
3. Total OPEB Liability	<u>\$ 43,178,970</u>	<u>\$ 49,842,376</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	-	-
5. Covered Payroll	\$ 40,895,377	\$ -
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	105.58%	#DIV/0!

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ELKHART COUNTY'S OPEB PLAN
 Available Data: Last 10 Years*

OPEB Contributions	2019
Actuarially determined contribution**	\$ 1,054,056
Actual employer contributions	1,054,056
Contribution deficiency (excess)	\$ -
Covered - employee payroll**	\$ 40,895,377
Contributions as a percentage of covered - employee payroll	2.58%

Notes to schedule:

Valuation date: For fiscal year ended December 31, 2019

**This is a pay as you go plan, assumed to be the same as the contributions

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	Not Applicable
Healthcare cost trend rates	Medical costs were trended at 8.0% in the first year trended down to 4.5% over eight years Dental costs were trended at 5.0% in the first year trended down to 4.0% over eight years.
Inflation	2.25%
Mortality	RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019 mortality improvement backed out, projected to 2019

Notes to Schedule:

*Information presented for the years information is available.

The Notes to Required Supplementary Information are an integral part of Required Supplementary Information.

ELKHART COUNTY, IN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

I. Budgets and Budgetary Accounting

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year end.

On or before August 31, the County auditor submits to the County council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County council to obtain taxpayer comments. In September of each year, the County council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The legal level of budgetary control is by object or department within the fund for the General fund, and by object within the fund for all other budgeted funds. The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the County Council. Any revisions to the appropriations for any fund or any department of the General fund must be approved by the County Council and, in some instances, by the Indiana Department of Local Government Finance.

Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General, LIT Economic Development, LIT Public Safety County Share, LIT Special Purpose, Rainy Day

Special revenue funds:

Election/Registration, 2015 Reassessment, Highway, Local Road and Street, Health, Communications Center, Emergency Telephone System, Parks and Recreation, Special Projects (Pros Atty), Public Defender Supplemental, Adult Probation User Fees, Juvenile Probation User Fees, Electronic Maps (GIS), Recorders Perpetuation, County Seizure of Assets, Adult Probation Administration

Debt service funds:

Debt Service

Capital project funds:

Cumulative Bridge, Major Bridge, Cumulative Drainage, Cumulative Capital Development, Road Maintenance & Construction

Enterprise funds:

Landfill, Storm Water Management Operating

ELKHART COUNTY, IN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

II. Financial Reporting – Pension Plans

The following changes in assumptions were made for the Sheriff's Retirement and Sheriff's Benefit plan for the base year ending December 31, 2019. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables).

The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations and a 4.50% salary scale (3.50% inflation and 1.00% merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) and a 4.00% salary scale (3.00% inflation and 1.00% merit increases).

The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

Sheriff Retirement Plan:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 50 for participants hired prior to January 1, 2018) or one year from the valuation date

ELKHART COUNTY, IN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

Mortality RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables.

Sheriff Benefit Plan:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables.

III. OPEB Plan

Cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Assumptions	
Discount rate	3.26% per annum
Discount rate basis	S & P municipal bond 20 year high grade rate index
Inflation rate	2.25% per annum
Investment rate of return	No applicable since the plan is not currently prefunded
Disability	None
Mortality	SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP2019 (RPH-2019 table is created based on RPH-2014 mortality tables with 8 years of MP-2014 mortality improvement backed out, projected to 2019 using MP-2019 improvement)
Coverage rate	Active employees with current coverage 80%; Inactive employees with current coverage 100%

ELKHART COUNTY, IN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

Retirement Rates

Age	General	Public Safety
50 - 51	2%	10%
52 - 54	2%	20%
55 - 59	5%	20%
60 - 61	10%	20%
62	25%	25%
63 - 64	20%	20%
65+	100%	100%

Turnover

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Rates are based on the most recent Indiana Public Retirement System Public Employees' Retirement Fund actuarial valuation as of June 30, 2019.

Sample annual turnover rates are shown below:

Male				
Age	0 YOS	2 YOS	5 YOS	10+ YOS
20	23.0%	23.0%	17.0%	7.0%
25	23.0%	23.0%	17.0%	7.0%
30	22.0%	19.0%	13.0%	7.0%
35	17.0%	17.0%	10.0%	6.0%
40	17.0%	14.0%	10.0%	5.0%
45	14.0%	14.0%	10.0%	4.0%
50	14.0%	9.0%	9.0%	4.0%
55	13.0%	7.0%	7.0%	4.0%

Female				
Age	0 YOS	2 YOS	5 YOS	10+ YOS
20	23.0%	23.0%	17.0%	8.0%
25	23.0%	22.0%	17.0%	8.0%
30	21.0%	21.0%	14.0%	8.0%
35	19.0%	16.0%	12.0%	7.0%
40	18.0%	16.0%	12.0%	6.0%
45	16.0%	16.0%	10.0%	6.0%
50	16.0%	15.0%	9.0%	6.0%
55	16.0%	11.0%	9.0%	6.0%

Per Capita Costs Annual per capita costs were calculated based on the County's monthly premium rates effective on January 1, 2020.

Annual per capita costs as shown below:

ELKHART COUNTY, IN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

<u>Age</u>	<u>PPO</u>
<55	\$ 9,400
55 – 59	\$11,700
60 – 64	\$15,100
65 – 69	\$ 3,000
70 – 74	\$ 3,800
75 – 79	\$ 4,400

Health Care Trend Rates

<u>FYE</u>	<u>Medical/Rx</u>	<u>Dental</u>
2020	8.00%	5.00%
2021	7.50%	4.75%
2022	7.00%	4.50%
2023	6.50%	4.25%
2024	6.00%	4.00%
2025	5.50%	4.00%
2026	5.00%	4.00%
2027+	4.50%	4.00%

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Assets				
Cash and cash equivalents	\$ 23,431,654	\$ 8,567,941	\$ 29,130,562	\$ 61,130,157
Receivables:				
Taxes	7,373,849	-	5,429,469	12,803,318
Accounts	275,116	-	-	275,116
Intergovernmental	155,758	-	231,637	387,395
Total assets	<u>31,236,377</u>	<u>8,567,941</u>	<u>34,791,668</u>	<u>74,595,986</u>
Liabilities				
Accounts payable	435,398	-	371,096	806,494
Accrued payroll and withholdings payable	818,422	-	77,504	895,926
Contracts payable	-	-	165,824	165,824
Advances from other funds	2,559,179	-	-	2,559,179
Total liabilities	<u>3,812,999</u>	<u>-</u>	<u>614,424</u>	<u>4,427,423</u>
Deferred inflows of resources				
Unavailable revenue	<u>7,253,035</u>	<u>-</u>	<u>5,302,381</u>	<u>12,555,416</u>
Fund balances				
Restricted	<u>20,170,343</u>	<u>8,567,941</u>	<u>28,874,863</u>	<u>57,613,147</u>
Total fund balances	<u>20,170,343</u>	<u>8,567,941</u>	<u>28,874,863</u>	<u>57,613,147</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,236,377</u>	<u>\$ 8,567,941</u>	<u>\$ 34,791,668</u>	<u>\$ 74,595,986</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes				
Property	\$ 6,717,567	\$ -	\$ 10,317,031	\$ 17,034,598
Other	-	-	476,332	476,332
Intergovernmental	16,754,894	-	3,583,546	20,338,440
Charges for services	1,250,989	-	-	1,250,989
Fines and forfeits	6,425,226	-	-	6,425,226
Investment income	209	10,336	-	10,545
Other	1,162,323	-	93,293	1,255,616
Total revenues	<u>32,311,208</u>	<u>10,336</u>	<u>14,470,202</u>	<u>46,791,746</u>
Expenditures				
Current				
General government	1,928,924	9,900	3,294,036	5,232,860
Public safety	11,170,949	-	-	11,170,949
Highways and streets	9,990,449	-	190,200	10,180,649
Health and welfare	6,612,861	-	-	6,612,861
Culture and recreation	2,035,454	-	-	2,035,454
Debt service				
Principal	-	5,345,000	-	5,345,000
Interest	23,671	1,726,840	-	1,750,511
Capital outlay				
General government	109,180	-	9,419,164	9,528,344
Public safety	498,609	-	-	498,609
Highways and streets	954,277	-	3,453,142	4,407,419
Health and welfare	29,788	-	-	29,788
Culture and recreation	83,238	-	-	83,238
Total expenditures	<u>33,437,400</u>	<u>7,081,740</u>	<u>16,356,542</u>	<u>56,875,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,126,192)</u>	<u>(7,071,404)</u>	<u>(1,886,340)</u>	<u>(10,083,936)</u>
Other financing sources (uses)				
Transfers in	972,925	6,984,263	1,800,000	9,757,188
Transfers out	<u>(947,790)</u>	<u>-</u>	<u>(192,891)</u>	<u>(1,140,681)</u>
Total other financing sources and uses	<u>25,135</u>	<u>6,984,263</u>	<u>1,607,109</u>	<u>8,616,507</u>
Net change in fund balances	(1,101,057)	(87,141)	(279,231)	(1,467,429)
Fund balances - beginning	<u>21,271,400</u>	<u>8,655,082</u>	<u>29,154,094</u>	<u>59,080,576</u>
Fund balances - ending	<u>\$ 20,170,343</u>	<u>\$ 8,567,941</u>	<u>\$ 28,874,863</u>	<u>\$ 57,613,147</u>

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	Development Grants	Donation Funds	Health and Wellness Grants	Health Funds	Homeland Security Grants	Park Funds	Probation Funds
Assets							
Cash and cash equivalents	\$ -	\$ 323,473	\$ 366,951	\$ 1,905,921	\$ (188,945)	\$ 1,750,497	\$ 56,459
Receivables							
Taxes	-	-	-	2,548,052	-	1,884,908	-
Accounts	-	-	-	806	-	-	49,850
Intergovernmental	-	-	118,402	-	-	-	-
Total assets	<u>-</u>	<u>323,473</u>	<u>485,353</u>	<u>4,454,779</u>	<u>(188,945)</u>	<u>3,635,405</u>	<u>106,309</u>
Liabilities							
Accounts payable	-	2,323	7,539	9,682	-	95,803	7,364
Accrued payroll and withholdings payable	-	-	84,364	164,768	-	91,895	24,311
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,323</u>	<u>91,903</u>	<u>174,450</u>	<u>-</u>	<u>187,698</u>	<u>31,675</u>
Deferred inflow of resources							
Unavailable revenue	-	-	828	2,503,149	-	1,851,544	-
Fund balances							
Restricted	-	321,150	392,622	1,777,180	(188,945)	1,596,163	74,634
Total fund balances	<u>-</u>	<u>321,150</u>	<u>392,622</u>	<u>1,777,180</u>	<u>(188,945)</u>	<u>1,596,163</u>	<u>74,634</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 323,473</u>	<u>\$ 485,353</u>	<u>\$ 4,454,779</u>	<u>\$ (188,945)</u>	<u>\$ 3,635,405</u>	<u>\$ 106,309</u>

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	Public Safety Funds	Public Safety Grants	Title IV-D Grants	Jail Commissary	Accident Report	Campaign Finance Enforcement	Clerk's Records Perpetuation
Assets							
Cash and cash equivalents	\$ 6,359,314	\$ 388,191	\$ 888,530	\$ 125,419	\$ 65,552	\$ 150	\$ 409,939
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	162,115	-	-	-	6,584	-	11,152
Intergovernmental	25,050	12,306	-	-	-	-	-
Total assets	<u>6,546,479</u>	<u>400,497</u>	<u>888,530</u>	<u>125,419</u>	<u>72,136</u>	<u>150</u>	<u>421,091</u>
Liabilities							
Accounts payable	147,255	9,994	4,320	-	-	-	7,500
Accrued payroll and withholdings payable	147,348	29,116	10,400	-	-	-	-
Advances from other funds	1,279,590	-	-	-	-	-	-
Total liabilities	<u>1,574,193</u>	<u>39,110</u>	<u>14,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Deferred inflow of resources							
Unavailable revenue	<u>17,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	<u>4,954,411</u>	<u>361,387</u>	<u>873,810</u>	<u>125,419</u>	<u>72,136</u>	<u>150</u>	<u>413,591</u>
Total fund balances	<u>4,954,411</u>	<u>361,387</u>	<u>873,810</u>	<u>125,419</u>	<u>72,136</u>	<u>150</u>	<u>413,591</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,546,479</u>	<u>\$ 400,497</u>	<u>\$ 888,530</u>	<u>\$ 125,419</u>	<u>\$ 72,136</u>	<u>\$ 150</u>	<u>\$ 421,091</u>

ELKHART COUNTY, IN

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Local Health Dept. Trust A/C	Tax Billing System (GUTS)	Certificate Sales Surplus	Redevelopment Commission	County Seizure of Assets	Sales Disclosure- County Share	Commissioners Certificate Rede
Assets							
Cash and cash equivalents	\$ 193,169	\$ 14,231	\$ 122,478	\$ 1,763	\$ 554,678	\$ 22,771	\$ 9,582
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Total assets	<u>193,169</u>	<u>14,231</u>	<u>122,478</u>	<u>1,763</u>	<u>554,678</u>	<u>22,771</u>	<u>9,582</u>
Liabilities							
Accounts payable	-	-	-	40	-	4,848	-
Accrued payroll and withholdings payable	1,599	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>1,599</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>4,848</u>	<u>-</u>
Deferred inflow of resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund balances							
Restricted	<u>191,570</u>	<u>14,231</u>	<u>122,478</u>	<u>1,723</u>	<u>554,678</u>	<u>17,923</u>	<u>9,582</u>
Total fund balances	<u>191,570</u>	<u>14,231</u>	<u>122,478</u>	<u>1,723</u>	<u>554,678</u>	<u>17,923</u>	<u>9,582</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 193,169</u>	<u>\$ 14,231</u>	<u>\$ 122,478</u>	<u>\$ 1,763</u>	<u>\$ 554,678</u>	<u>\$ 22,771</u>	<u>\$ 9,582</u>

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	H. O. M. E. Consortium	County Noise Ordinance Fund	School Lunch Program	Elkhart County Food Council	Economic Development Fee	Electronic Map (GIS)	Levy Excess
Assets							
Cash and cash equivalents	\$ 171	\$ 2,365	\$ 11,852	\$ 353	\$ 323,264	\$ 78,836	\$ 13,804
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Total assets	<u>171</u>	<u>2,365</u>	<u>11,852</u>	<u>353</u>	<u>323,264</u>	<u>78,836</u>	<u>13,804</u>
Liabilities							
Accounts payable	-	-	-	-	12,000	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund balances							
Restricted	<u>171</u>	<u>2,365</u>	<u>11,852</u>	<u>353</u>	<u>311,264</u>	<u>78,836</u>	<u>13,804</u>
Total fund balances	<u>171</u>	<u>2,365</u>	<u>11,852</u>	<u>353</u>	<u>311,264</u>	<u>78,836</u>	<u>13,804</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 171</u>	<u>\$ 2,365</u>	<u>\$ 11,852</u>	<u>\$ 353</u>	<u>\$ 323,264</u>	<u>\$ 78,836</u>	<u>\$ 13,804</u>

ELKHART COUNTY, IN

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Local Road & Street	Motor Vehicle Highway - Restricted	Motor Vehicle Highway	Plat Book	Reassessment - 2015	Recorder's Perpetuation	Surveyor's Corner Perpetuation
Assets							
Cash and cash equivalents	\$ 2,274,162	\$ -	\$ 2,355,074	\$ 216,683	\$ 950,706	\$ 1,063,296	\$ 324,537
Receivables							
Taxes	-	-	-	-	1,125,184	-	-
Accounts	-	-	1,968	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Total assets	<u>2,274,162</u>	<u>-</u>	<u>2,357,042</u>	<u>216,683</u>	<u>2,075,890</u>	<u>1,063,296</u>	<u>324,537</u>
Liabilities							
Accounts payable	72,580	2,567	22,407	-	25	6,886	-
Accrued payroll and withholdings payable	-	4,644	167,129	3,054	15,354	5,923	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>72,580</u>	<u>7,211</u>	<u>189,536</u>	<u>3,054</u>	<u>15,379</u>	<u>12,809</u>	<u>-</u>
Deferred inflow of resources							
Unavailable revenue	-	-	-	-	1,105,265	-	-
Fund balances							
Restricted	<u>2,201,582</u>	<u>(7,211)</u>	<u>2,167,506</u>	<u>213,629</u>	<u>955,246</u>	<u>1,050,487</u>	<u>324,537</u>
Total fund balances	<u>2,201,582</u>	<u>(7,211)</u>	<u>2,167,506</u>	<u>213,629</u>	<u>955,246</u>	<u>1,050,487</u>	<u>324,537</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,274,162</u>	<u>\$ -</u>	<u>\$ 2,357,042</u>	<u>\$ 216,683</u>	<u>\$ 2,075,890</u>	<u>\$ 1,063,296</u>	<u>\$ 324,537</u>

ELKHART COUNTY, IN

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Unsafe Building	Auditor Ineligible Deduction	County Elected Officials Training	Abandoned Vehicles	LOIT Special Distribution	Alternate Dispute Resolution	Jury Pay
Assets							
Cash and cash equivalents	\$ 17,987	\$ 682,300	\$ 126,369	\$ 20,270	\$ 63,120	\$ 22,875	\$ 47,427
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	1,120	935
Intergovernmental	-	-	-	-	-	-	-
Total assets	<u>17,987</u>	<u>682,300</u>	<u>126,369</u>	<u>20,270</u>	<u>63,120</u>	<u>23,995</u>	<u>48,362</u>
Liabilities							
Accounts payable	-	240	150	441	-	2,150	-
Accrued payroll and withholdings payable	-	1,165	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,405</u>	<u>150</u>	<u>441</u>	<u>-</u>	<u>2,150</u>	<u>-</u>
Deferred inflow of resources							
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	<u>17,987</u>	<u>680,895</u>	<u>126,219</u>	<u>19,829</u>	<u>63,120</u>	<u>21,845</u>	<u>48,362</u>
Total fund balances	<u>17,987</u>	<u>680,895</u>	<u>126,219</u>	<u>19,829</u>	<u>63,120</u>	<u>21,845</u>	<u>48,362</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,987</u>	<u>\$ 682,300</u>	<u>\$ 126,369</u>	<u>\$ 20,270</u>	<u>\$ 63,120</u>	<u>\$ 23,995</u>	<u>\$ 48,362</u>

ELKHART COUNTY, IN

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Special Projects (Pros Atty)	Drug Court User Fee	Emergency Planning Right to Know	Emergency Telephone System	Enhanced Access	Totals
Assets						
Cash and cash equivalents	\$ 180,869	\$ 3,440	\$ 78,945	\$ 945,974	\$ 256,852	\$ 23,431,654
Receivables						
Taxes	-	-	-	1,815,705	-	7,373,849
Accounts	39,726	860	-	-	-	275,116
Intergovernmental	-	-	-	-	-	155,758
Total assets	<u>220,595</u>	<u>4,300</u>	<u>78,945</u>	<u>2,761,679</u>	<u>256,852</u>	<u>31,236,377</u>
Liabilities						
Accounts payable	-	-	61	19,223	-	435,398
Accrued payroll and withholdings payable	8,576	-	-	58,776	-	818,422
Advances from other funds	-	-	-	1,279,589	-	2,559,179
Total liabilities	<u>8,576</u>	<u>-</u>	<u>61</u>	<u>1,357,588</u>	<u>-</u>	<u>3,812,999</u>
Deferred inflow of resources						
Unavailable revenue	-	-	-	1,774,374	-	7,253,035
Fund balances						
Restricted	<u>212,019</u>	<u>4,300</u>	<u>78,884</u>	<u>(370,283)</u>	<u>256,852</u>	<u>20,170,343</u>
Total fund balances	<u>212,019</u>	<u>4,300</u>	<u>78,884</u>	<u>(370,283)</u>	<u>256,852</u>	<u>20,170,343</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 220,595</u>	<u>\$ 4,300</u>	<u>\$ 78,945</u>	<u>\$ 2,761,679</u>	<u>\$ 256,852</u>	<u>\$ 31,236,377</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	Development Grants	Donation Funds	Health and Wellness Grants	Health Funds	Homeland Security Grants	Park Funds	Probation Funds
Revenues							
Taxes							
Property	\$ -	\$ -	\$ -	\$ 2,316,887	\$ -	\$ 1,718,429	\$ -
Intergovernmental	-	-	3,130,549	287,600	60,000	267,554	188
Charges for services	-	-	-	738,491	-	35	-
Fines and forfeits	-	-	-	-	-	269,230	843,371
Investment income	-	-	-	-	-	-	-
Other	-	96,374	-	4,908	-	39,031	60
Total revenues	-	96,374	3,130,549	3,347,886	60,000	2,294,279	843,619
Expenditures							
Current							
General government	\$ 40,000	\$ -	\$ -	\$ -	-	-	-
Public safety	-	9,008	-	-	198,945	-	733,174
Highways and Streets	-	-	-	-	-	-	-
Health and welfare	-	-	3,256,119	2,899,091	-	-	-
Culture and recreation	-	14,723	-	-	-	2,020,731	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	-	-	-
Public safety	-	7,300	-	-	50,000	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	2,435	27,353	-	-	-
Culture and recreation	-	63,744	-	-	-	19,494	-
Total expenditures	40,000	94,775	3,258,554	2,926,444	248,945	2,040,225	733,174
Excess (deficiency) of revenues over (under) expenditures	(40,000)	1,599	(128,005)	421,442	(188,945)	254,054	110,445
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-	-
Net change in fund balances	(40,000)	1,599	(128,005)	421,442	(188,945)	254,054	110,445
Fund balances - beginning	40,000	319,551	520,627	1,355,738	-	1,342,109	(35,811)
Fund balances - ending	\$ -	\$ 321,150	\$ 392,622	\$ 1,777,180	\$ (188,945)	\$ 1,596,163	\$ 74,634

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	Public Safety Funds	Public Safety Grants	Title IV-D Grants	Jail Commissary	Accident Report	Campaign Finance Enforcement	Clerk's Records Perpetuation
Revenues							
Taxes							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,353,345	1,065,739	399,944	-	-	-	23,193
Charges for services	-	2,480	-	-	42,317	-	119,379
Fines and forfeits	4,055,843	-	-	-	-	-	-
Investment income	209	-	-	-	-	-	-
Other	198,706	22,609	-	489,496	-	-	-
Total revenues	<u>5,608,103</u>	<u>1,090,828</u>	<u>399,944</u>	<u>489,496</u>	<u>42,317</u>	<u>-</u>	<u>142,572</u>
Expenditures							
Current							
General government	-	-	-	465,542	-	-	171,908
Public safety	6,047,019	757,413	-	-	24,167	-	-
Highways and Streets	-	-	-	-	-	-	-
Health and welfare	-	-	388,331	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	23,671	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	-	-	-
Public safety	183,469	29,838	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>6,254,159</u>	<u>787,251</u>	<u>388,331</u>	<u>465,542</u>	<u>24,167</u>	<u>-</u>	<u>171,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(646,056)</u>	<u>303,577</u>	<u>11,613</u>	<u>23,954</u>	<u>18,150</u>	<u>-</u>	<u>(29,336)</u>
Other financing sources (uses)							
Transfers in	-	43,200	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>43,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(646,056)	346,777	11,613	23,954	18,150	-	(29,336)
Fund balances - beginning	<u>5,600,467</u>	<u>14,610</u>	<u>862,197</u>	<u>101,465</u>	<u>53,986</u>	<u>150</u>	<u>442,927</u>
Fund balances - ending	<u>\$ 4,954,411</u>	<u>\$ 361,387</u>	<u>\$ 873,810</u>	<u>\$ 125,419</u>	<u>\$ 72,136</u>	<u>\$ 150</u>	<u>\$ 413,591</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	Local Health Dept. Trust A/C	Tax Billing System (GUTS)	Certificate Sales Surplus	Redevelopment Commission	County Seizure of Assets	Sales Disclosure- County Share	Commissioners Certificate Rede
Revenues							
Taxes							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	73,377	-	-	-	7,830	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	75,552	23,160	-
Investment income	-	-	-	-	-	-	-
Other	-	-	28,237	-	-	10	-
Total revenues	<u>73,377</u>	<u>-</u>	<u>28,237</u>	<u>-</u>	<u>83,382</u>	<u>23,170</u>	<u>-</u>
Expenditures							
Current							
General government	-	-	-	2,933	102,921	11,912	-
Public safety	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-
Health and welfare	69,320	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	55,974	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>69,320</u>	<u>-</u>	<u>-</u>	<u>2,933</u>	<u>158,895</u>	<u>11,912</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,057</u>	<u>-</u>	<u>28,237</u>	<u>(2,933)</u>	<u>(75,513)</u>	<u>11,258</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>4,057</u>	<u>-</u>	<u>28,237</u>	<u>(2,933)</u>	<u>(75,513)</u>	<u>11,258</u>	<u>-</u>
Fund balances - beginning	187,513	14,231	94,241	4,656	630,191	6,665	9,582
Fund balances - ending	<u>\$ 191,570</u>	<u>\$ 14,231</u>	<u>\$ 122,478</u>	<u>\$ 1,723</u>	<u>\$ 554,678</u>	<u>\$ 17,923</u>	<u>\$ 9,582</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2019

	H. O. M. E. Consortium	County Noise Ordinance Fund	School Lunch Program	Elkhart County Food Council	Economic Development Fee	Electronic Map (GIS)	Levy Excess
Revenues							
Taxes							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,365	27,512	-	-	-	13,804
Charges for services	-	-	-	-	-	30,855	-
Fines and forfeits	-	-	-	-	85,136	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	26,257	-
Total revenues	<u>-</u>	<u>2,365</u>	<u>27,512</u>	<u>-</u>	<u>85,136</u>	<u>57,112</u>	<u>13,804</u>
Expenditures							
Current							
General government	-	-	14,856	118	-	17,206	-
Public safety	-	-	-	-	12,000	-	-
Highways and Streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>14,856</u>	<u>118</u>	<u>12,000</u>	<u>17,206</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,365</u>	<u>12,656</u>	<u>(118)</u>	<u>73,136</u>	<u>39,906</u>	<u>13,804</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>2,365</u>	<u>12,656</u>	<u>(118)</u>	<u>73,136</u>	<u>39,906</u>	<u>13,804</u>
Fund balances - beginning	171	-	(804)	471	238,128	38,930	-
Fund balances - ending	<u>\$ 171</u>	<u>\$ 2,365</u>	<u>\$ 11,852</u>	<u>\$ 353</u>	<u>\$ 311,264</u>	<u>\$ 78,836</u>	<u>\$ 13,804</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	Local Road & Street	Motor Vehicle Highway - Restricted	Motor Vehicle Highway	Plat Book	Reassessment - 2015	Recorder's Perpetuation	Surveyor's Corner Perpetuation
Revenues							
Taxes							
Property	\$ -	\$ -	\$ -	\$ -	\$ 1,025,928	\$ -	\$ -
Intergovernmental	2,437,198	2,722,737	4,605,765	-	95,681	508	-
Charges for services	-	-	253,512	63,920	-	-	-
Fines and forfeits	-	-	-	-	6,585	463,415	136,100
Investment income	-	-	-	-	-	-	-
Other	-	-	98,549	-	-	-	-
Total revenues	2,437,198	2,722,737	4,957,826	63,920	1,128,194	463,923	136,100
Expenditures							
Current							
General government	-	-	-	51,105	750,165	189,044	38,429
Public safety	-	-	-	-	-	-	-
Highways and Streets	925,648	3,659,673	5,405,128	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	-	-	34,550
Public safety	-	-	-	-	-	-	-
Highways and streets	941,977	-	12,300	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	1,867,625	3,659,673	5,417,428	51,105	750,165	189,044	72,979
Excess (deficiency) of revenues over (under) expenditures	569,573	(936,936)	(459,602)	12,815	378,029	274,879	63,121
Other financing sources (uses)							
Transfers in	-	929,725	-	-	-	-	-
Transfers out	-	-	(929,725)	-	-	-	-
Total other financing sources/(uses)	-	929,725	(929,725)	-	-	-	-
Net change in fund balances	569,573	(7,211)	(1,389,327)	12,815	378,029	274,879	63,121
Fund balances - beginning	1,632,009	-	3,556,833	200,814	577,217	775,608	261,416
Fund balances - ending	\$ 2,201,582	\$ (7,211)	\$ 2,167,506	\$ 213,629	\$ 955,246	\$ 1,050,487	\$ 324,537

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2019

	Unsafe Building	Auditor Ineligible Deduction	County Elected Officials Training	Abandoned Vehicles	LOIT Special Distribution	Alternate Dispute Resolution	Jury Pay
Revenues							
Taxes							
Property	\$ -	\$ 30,777	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	3,641
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	7,865	-	27,498	3,915	-	16,960	10,111
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	501	220	-
Total revenues	7,865	30,777	27,498	3,915	501	17,180	13,752
Expenditures							
Current							
General government	-	37,158	-	2,070	-	-	-
Public safety	-	-	6,725	-	-	30,930	-
Highways and Streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay							
General government	-	18,656	-	-	-	-	-
Public safety	-	-	-	-	228,002	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	-	55,814	6,725	2,070	228,002	30,930	-
Excess (deficiency) of revenues over (under) expenditures	7,865	(25,037)	20,773	1,845	(227,501)	(13,750)	13,752
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(18,065)	-	-	-	-	-
Total other financing sources/(uses)	-	(18,065)	-	-	-	-	-
Net change in fund balances	7,865	(43,102)	20,773	1,845	(227,501)	(13,750)	13,752
Fund balances - beginning	10,122	723,997	105,446	17,984	290,621	35,595	34,610
Fund balances - ending	\$ 17,987	\$ 680,895	\$ 126,219	\$ 19,829	\$ 63,120	\$ 21,845	\$ 48,362

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2019

	Special Projects (Pros Atty)	Drug Court User Fee	Emergency Planning Right to Know	Emergency Telephone System	Enhanced Access	Totals
Revenues						
Taxes						
Property	\$ -	\$ -	\$ -	\$ 1,625,546	\$ -	\$ 6,717,567
Intergovernmental	-	-	13,177	163,187	-	16,754,894
Charges for services	-	-	-	-	-	1,250,989
Fines and forfeits	312,214	4,300	-	1,255	82,716	6,425,226
Investment income	-	-	-	-	-	209
Other	-	-	-	157,365	-	1,162,323
Total revenues	312,214	4,300	13,177	1,947,353	82,716	32,311,208
Expenditures						
Current						
General government	-	-	-	-	33,557	1,928,924
Public safety	192,935	-	6,320	3,152,313	-	11,170,949
Highways and Streets	-	-	-	-	-	9,990,449
Health and welfare	-	-	-	-	-	6,612,861
Culture and recreation	-	-	-	-	-	2,035,454
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	23,671
Capital outlay						
General government	-	-	-	-	-	109,180
Public safety	-	-	-	-	-	498,609
Highways and streets	-	-	-	-	-	954,277
Health and welfare	-	-	-	-	-	29,788
Culture and recreation	-	-	-	-	-	83,238
Total expenditures	192,935	-	6,320	3,152,313	33,557	33,437,400
Excess (deficiency) of revenues over (under) expenditures	119,279	4,300	6,857	(1,204,960)	49,159	(1,126,192)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	972,925
Transfers out	-	-	-	-	-	(947,790)
Total other financing sources/(uses)	-	-	-	-	-	25,135
Net change in fund balances	119,279	4,300	6,857	(1,204,960)	49,159	(1,101,057)
Fund balances - beginning	92,740	-	72,027	834,677	207,693	21,271,400
Fund balances - ending	\$ 212,019	\$ 4,300	\$ 78,884	\$ (370,283)	\$ 256,852	\$ 20,170,343

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2019

	<u>Debt Service</u>	<u>2015 Reserve Fund</u>	<u>NW Gateway Bond Reserve</u>	<u>2015 Bond Fund</u>	<u>Totals</u>
Assets					
Cash and cash equivalents	\$ 883,640	\$ 7,703,056	\$ 51,895	\$ (70,650)	\$ 8,567,941
Total assets	<u>883,640</u>	<u>7,703,056</u>	<u>51,895</u>	<u>(70,650)</u>	<u>8,567,941</u>
Liabilities					
Accounts payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Debt services	883,640	7,703,056	51,895	(70,650)	8,567,941
Total fund balances	<u>883,640</u>	<u>7,703,056</u>	<u>51,895</u>	<u>(70,650)</u>	<u>8,567,941</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 883,640</u>	<u>\$ 7,703,056</u>	<u>\$ 51,895</u>	<u>\$ (70,650)</u>	<u>\$ 8,567,941</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended December 31, 2019

	Debt Service	2015 Reserve Fund	NW Gateway Bond Reserve	2015 Bond Fund	Totals
Revenues					
Investment income	\$ 10,336	\$ -	\$ -	\$ -	\$ 10,336
Other	-	-	-	-	-
Total revenues	<u>10,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,336</u>
Expenditures					
Current					
General government	9,900	-	-	-	9,900
Debt service					
Principal	5,275,000	-	10,000	60,000	5,345,000
Interest	1,606,238	-	38,627	81,975	1,726,840
Total expenditures	<u>6,891,138</u>	<u>-</u>	<u>48,627</u>	<u>141,975</u>	<u>7,081,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,880,802)</u>	<u>-</u>	<u>(48,627)</u>	<u>(141,975)</u>	<u>(7,071,404)</u>
Other financing sources (uses)					
Transfers in	6,886,938	-	26,000	71,325	6,984,263
Transfers out	-	-	-	-	-
Total other financing sources/(uses)	<u>6,886,938</u>	<u>-</u>	<u>26,000</u>	<u>71,325</u>	<u>6,984,263</u>
Net change in fund balances	6,136	-	(22,627)	(70,650)	(87,141)
Fund balances - beginning	<u>877,504</u>	<u>7,703,056</u>	<u>74,522</u>	<u>-</u>	<u>8,655,082</u>
Fund balances - ending	<u>\$ 883,640</u>	<u>\$ 7,703,056</u>	<u>\$ 51,895</u>	<u>\$ (70,650)</u>	<u>\$ 8,567,941</u>

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2019

	Cumulative Bridge	Cumulative Building	Love's Project	TIF Funds	Road Maint & Construction	Cumulative Cap Development	Cumulative Drainage	Cumulative Voting System
Assets								
Cash and cash equivalents	\$ 1,570,311	\$ 185,403	\$ -	\$ 15,171,064	\$ 1,149,627	\$ 3,705,869	\$ 1,849,299	\$ 927,994
Receivables								
Taxes	969,879	-	-	-	25,835	3,197,719	552,027	684,009
Intergovernmental	1,269	-	-	-	186,402	-	-	43,966
Total assets	<u>2,541,459</u>	<u>185,403</u>	<u>-</u>	<u>15,171,064</u>	<u>1,361,864</u>	<u>6,903,588</u>	<u>2,401,326</u>	<u>1,655,969</u>
Liabilities								
Accounts payable	9,874	-	-	1,500	323,154	31,763	3,605	-
Accrued wages and withholding payable	18,865	-	-	-	-	46,878	-	11,761
Contracts payable	-	-	-	-	-	-	165,824	-
Total liabilities	<u>28,739</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>323,154</u>	<u>78,641</u>	<u>169,429</u>	<u>11,761</u>
Fund balances								
Restricted for								
Capital projects	1,559,606	185,403	-	15,169,564	1,038,710	3,682,502	1,696,635	972,648
Total fund balances	<u>1,559,606</u>	<u>185,403</u>	<u>-</u>	<u>15,169,564</u>	<u>1,038,710</u>	<u>3,682,502</u>	<u>1,696,635</u>	<u>972,648</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 2,541,459</u>	<u>\$ 185,403</u>	<u>\$ -</u>	<u>\$ 15,171,064</u>	<u>\$ 1,361,864</u>	<u>\$ 6,903,588</u>	<u>\$ 2,401,326</u>	<u>\$ 1,655,969</u>

ELKHART COUNTY, IN
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2019

	Horn Ditch Project 2 Phase	2017 Corrections Complex Bond	2015 Bond Capital Fund	NW Gateway Bond Capital	Totals
Assets					
Cash and cash equivalents	\$ 137,380	\$ 3,499,266	\$ 176,902	\$ 757,447	\$ 29,130,562
Receivables					
Taxes	-	-	-	-	5,429,469
Intergovernmental	-	-	-	-	231,637
Total assets	<u>137,380</u>	<u>3,499,266</u>	<u>176,902</u>	<u>757,447</u>	<u>34,791,668</u>
Liabilities					
Accounts payable	-	1,200	-	-	371,096
Accrued wages and withholding payable	-	-	-	-	77,504
Contracts payable	-	-	-	-	165,824
Total liabilities	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>614,424</u>
Fund balances					
Restricted for					
Capital projects	137,380	3,498,066	176,902	757,447	28,874,863
Total fund balances	<u>137,380</u>	<u>3,498,066</u>	<u>176,902</u>	<u>757,447</u>	<u>28,874,863</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 137,380</u>	<u>\$ 3,499,266</u>	<u>\$ 176,902</u>	<u>\$ 757,447</u>	<u>\$ 34,791,668</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

	Cumulative Bridge	Cumulative Building	Love's Project	TIF Funds	Road Maint & Construction	Cumulative Cap Development	Cumulative Drainage	Cumulative Voting System
Revenues								
Taxes								
Property	\$ 863,489	\$ -	\$ -	\$ 5,495,058	\$ -	\$ 2,846,949	\$ 470,330	\$ 641,205
Other	-	-	-	-	476,332	-	-	-
Intergovernmental	232,683	-	-	-	2,723,689	267,196	56,111	303,867
Other	-	-	-	-	267	67,178	-	258
Total revenues	1,096,172	-	-	5,495,058	3,200,288	3,181,323	526,441	945,330
Expenditures								
Current								
General government	-	-	-	1,151,176	-	1,589,775	-	553,085
Highways and Streets	190,200	-	-	-	-	-	-	-
Capital outlay								
General government	-	-	212,015	149,690	-	1,297,048	402,597	1,803,356
Highways and streets	819,517	-	-	-	2,633,625	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	1,009,717	-	212,015	1,300,866	2,633,625	2,886,823	402,597	2,356,441
Excess (deficiency) of revenues over (under) expenditures	86,455	-	(212,015)	4,194,192	566,663	294,500	123,844	(1,411,111)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	1,800,000
Transfers out	-	-	-	(192,891)	-	-	-	-
Total other financing sources and (uses)	-	-	-	(192,891)	-	-	-	1,800,000
Net change in fund balances	86,455	-	(212,015)	4,001,301	566,663	294,500	123,844	388,889
Fund balances - beginning	1,473,151	185,403	212,015	11,168,263	472,047	3,388,002	1,572,791	583,759
Fund balances - ending	\$ 1,559,606	\$ 185,403	\$ -	\$ 15,169,564	\$ 1,038,710	\$ 3,682,502	\$ 1,696,635	\$ 972,648

ELKHART COUNTY, IN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

	2017				Totals
	Horn Ditch Project 2 Phase	Corrections Complex Bond	2015 Bond Capital Fund	NW Gateway Bond Capital	
Revenues					
Taxes					
Property	\$ -	\$ -	\$ -	\$ -	\$ 10,317,031
Other	-	-	-	-	476,332
Intergovernmental	-	-	-	-	3,583,546
Other	25,422	-	168	-	93,293
Total revenues	25,422	-	168	-	14,470,202
Expenditures					
Current					
General government	-	-	-	-	3,294,036
Highways and Streets	-	-	-	-	190,200
Capital outlay					
General government	-	5,239,664	267,189	47,605	9,419,164
Highways and streets	-	-	-	-	3,453,142
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	5,239,664	267,189	47,605	16,356,542
Excess (deficiency) of revenues over (under) expenditures	25,422	(5,239,664)	(267,021)	(47,605)	(1,886,340)
Other financing sources (uses)					
Transfers in	-	-	-	-	1,800,000
Transfers out	-	-	-	-	(192,891)
Total other financing sources and (uses)	-	-	-	-	1,607,109
Net change in fund balances	25,422	(5,239,664)	(267,021)	(47,605)	(279,231)
Fund balances - beginning	111,958	8,737,730	443,923	805,052	29,154,094
Fund balances - ending	\$ 137,380	\$ 3,498,066	\$ 176,902	\$ 757,447	\$ 28,874,863

ELKHART COUNTY, IN

COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PRIVATE-PURPOSE TRUST FUNDS
December 31, 2019

	Congressional School Principal	Congressional School Interest	Total Private- Purpose Trust Funds
Assets			
Cash and cash equivalents	\$ 45,862	\$ 67,837	\$ 113,699
Total assets	<u>\$ 45,862</u>	<u>\$ 67,837</u>	<u>\$ 113,699</u>
Liabilities			
Accounts payable and other liabilities	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position	<u>\$ 45,862</u>	<u>\$ 67,837</u>	<u>\$ 113,699</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE-PURPOSE TRUST FUNDS
For The Year Ended December 31, 2019

	Congressional School Principal	Congressional School Interest	Total Private- Purpose Trust Funds
Additions			
Investment income:			
Interest	\$ -	\$ -	\$ -
Less investment expense, other than securities lending	<u>-</u>	<u>-</u>	<u>-</u>
Total investment income	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>-</u>	<u>-</u>	<u>-</u>
Deductions			
Other trust activities	<u>-</u>	<u>2,752</u>	<u>2,752</u>
Total deductions	<u>-</u>	<u>2,752</u>	<u>2,752</u>
Change in fiduciary net position	-	(2,752)	(2,752)
Net position, beginning	<u>45,862</u>	<u>70,589</u>	<u>116,451</u>
Net position, ending	<u>\$ 45,862</u>	<u>\$ 67,837</u>	<u>\$ 113,699</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
December 31, 2019

	Sheriff's Pension Trust	Sheriff's Retirement	Sheriff's Benefit	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ 666,183	\$ 871,234	\$ 9,405	\$ 1,546,822
Receivables:				
Interest	-	34,223	164	34,387
Accounts	30,652	-	-	30,652
Total receivables	<u>30,652</u>	<u>34,223</u>	<u>164</u>	<u>65,039</u>
Investments at fair value:				
Fixed income securities	-	7,650,296	93,000	7,743,296
Domestic and foreign equities	-	14,490,585	188,475	14,679,060
Other	-	-	-	-
Total Investments at fair value	<u>-</u>	<u>22,140,881</u>	<u>281,475</u>	<u>22,422,356</u>
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 696,835</u>	<u>\$ 23,046,338</u>	<u>\$ 291,044</u>	<u>\$ 24,034,217</u>
Liabilities				
Accounts payable and other liabilities	-	3,888	-	3,888
Intergovernmental payable	-	-	-	-
Trust payable	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 3,888</u>	<u>\$ -</u>	<u>\$ 3,888</u>
Net position	<u>\$ 696,835</u>	<u>\$ 23,042,450</u>	<u>\$ 291,044</u>	<u>\$ 24,030,329</u>

ELKHART COUNTY, IN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUND
 For The Year Ended December 31, 2019

	Sheriff's Pension Trust	Sheriff's Retirement	Sheriff's Benefit	Total Pension Trust Funds
Additions				
Contributions				
Employer contributions	\$ 378,126	\$ 1,312,940	\$ 20,961	\$ 1,712,027
Employee contributions	-	218,108	-	218,108
Other	-	-	15,807	15,807
Total contributions	<u>378,126</u>	<u>1,531,048</u>	<u>36,768</u>	<u>1,945,942</u>
Investment income				
Interest	-	506,887	6,064	512,951
Net increase (decrease) in fair value of investments	-	3,156,109	44,062	3,200,171
Total investment income	<u>-</u>	<u>3,662,996</u>	<u>50,126</u>	<u>3,713,122</u>
Total additions	<u>378,126</u>	<u>5,194,044</u>	<u>86,894</u>	<u>5,659,064</u>
Deductions				
Benefit payments (including refunds of employee contributions)	-	1,132,875	-	1,132,875
Other trust activities	-	101,374	37,576	138,950
Total deductions	<u>-</u>	<u>1,234,249</u>	<u>37,576</u>	<u>1,271,825</u>
Change in fiduciary net position	378,126	3,959,795	49,318	4,387,239
Net position, beginning	318,709	19,082,655	241,726	19,643,090
Net position, ending	<u>\$ 696,835</u>	<u>\$ 23,042,450</u>	<u>\$ 291,044</u>	<u>\$ 24,030,329</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
December 31, 2019

	Settlement Funds	Agency LIT Funds	Agency Fines and Fees	Agency Tax Funds	After Settlement Collections	Inmate Trust	Clerk's Trust	Convention, Visitor & Tourism	Total Custodial Funds
Assets									
Cash and cash equivalents	\$ 68,995	\$ -	\$ 73,066	\$ 9,129,572	\$ 9,430,718	\$ 140,463	\$ 1,692,153	\$ -	\$ 20,534,967
Receivables									
Taxes	220,520,636	20,347,122	-	7,112	-	-	-	-	240,874,870
Accounts	2,807	-	42,009	2,618	-	-	-	-	47,434
Total receivables	<u>220,523,443</u>	<u>20,347,122</u>	<u>42,009</u>	<u>9,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,922,304</u>
Total assets	<u>\$ 220,592,438</u>	<u>\$ 20,347,122</u>	<u>\$ 115,075</u>	<u>\$ 9,139,302</u>	<u>\$ 9,430,718</u>	<u>\$ 140,463</u>	<u>\$ 1,692,153</u>	<u>\$ -</u>	<u>\$ 261,457,271</u>
Liabilities									
Accounts payable and other liabilities	\$ 71,802	\$ -	\$ 115,075	\$ 9,139,302	\$ -	\$ 140,463	\$ 1,692,153	\$ -	\$ 11,158,795
Due to other governments	220,520,636	20,347,122	-	-	9,430,718	-	-	-	250,298,476
Total liabilities	<u>\$ 220,592,438</u>	<u>\$ 20,347,122</u>	<u>\$ 115,075</u>	<u>\$ 9,139,302</u>	<u>\$ 9,430,718</u>	<u>\$ 140,463</u>	<u>\$ 1,692,153</u>	<u>\$ -</u>	<u>\$ 261,457,271</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COUNTY, IN

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For The Year Ended December 31, 2019

	Settlement Funds	Agency LIT Funds	Agency Fines and Fees	Agency Tax Funds	After Settlement Collections	Inmate Trust	Clerk's Trust	Convention, Visitor & Tourism	Total Custodial Funds
Additions									
Taxes collected for other governments	\$ 1,641,764	\$ 11,209,089	\$ -	\$ -	\$ 9,430,718	\$ -	\$ -	\$ 2,400,000	\$ 24,681,571
Miscellaneous	-	-	2,298	3,562,417	-	2,439,990	20,920,493	-	26,925,198
Total additions	<u>1,641,764</u>	<u>11,209,089</u>	<u>2,298</u>	<u>3,562,417</u>	<u>9,430,718</u>	<u>2,439,990</u>	<u>20,920,493</u>	<u>2,400,000</u>	<u>51,606,769</u>
Deductions									
Other custodial activities	-	-	2,298	3,562,417	-	2,439,990	20,920,493	-	26,925,198
Taxes distributed to other governments	1,641,764	11,209,089	-	-	9,430,718	-	-	2,400,000	24,681,571
Total deductions	<u>1,641,764</u>	<u>11,209,089</u>	<u>2,298</u>	<u>3,562,417</u>	<u>9,430,718</u>	<u>2,439,990</u>	<u>20,920,493</u>	<u>2,400,000</u>	<u>51,606,769</u>
Change in fiduciary net position	-	-	-	-	-	-	-	-	-
Net position, beginning	-	-	-	-	-	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.