

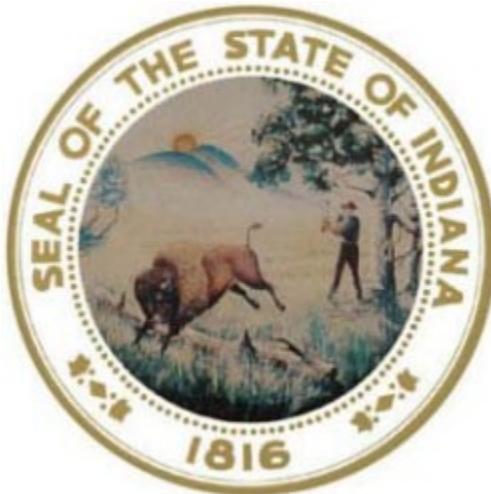
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS

OF

EXAMPLE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



Example County
 Statement of Receipts, Disbursements, and
 Cash and Investment Balances - Regulatory Basis
 For the Year Ended December 31, 2019

| | County General | Sheriff Accident Report | CAGIT County Certified Shares | Campaign Finance Enforcement | CREDIT County Portion | City/Town Court Cost | Clerk's Record Perpetuation | Comm Corr Project Income | Community Transition Program | County Sales Disclosure | Cum Bridge |
|--|----------------|-------------------------|-------------------------------|------------------------------|-----------------------|----------------------|-----------------------------|--------------------------|------------------------------|-------------------------|--------------|
| Cash and investments - beginning | \$ 939,608 | \$ 1,045 | \$ 182,373 | \$ 1,000 | \$ 750,970 | \$ 15,232 | \$ 73,686 | \$ 90,806 | \$ 21,434 | \$ 78,912 | \$ 1,663,628 |
| Receipts: | | | | | | | | | | | |
| Taxes | 4,292,252 | - | - | - | - | - | - | - | - | - | 1,396,502 |
| Licenses and permits | 94,273 | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental | 6,038,165 | - | - | - | 2,387,982 | - | - | - | - | - | 158,678 |
| Charges for services | 736,590 | - | - | - | - | - | - | - | - | - | 18,210 |
| Fines and forfeits | 444,521 | - | - | - | - | 29,482 | 61,885 | 258,362 | - | - | - |
| Other receipts | 12,301,468 | 16,257 | - | - | - | 2,900 | 6,019 | 7,439 | 9,300 | - | 75 |
| Total receipts | 23,907,269 | 16,257 | - | - | 2,387,982 | 32,382 | 67,904 | 265,801 | 9,300 | 18,210 | 1,555,255 |
| Disbursements: | | | | | | | | | | | |
| Personal services | 16,019,245 | - | - | - | 700,000 | - | 53,299 | 239,762 | - | - | 456,955 |
| Supplies | 667,067 | - | - | - | - | - | 490 | 6,190 | 3,507 | - | 35,215 |
| Other services and charges | 5,312,236 | - | - | - | 1,069,764 | 30,775 | - | 52,241 | 962 | - | 539,082 |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 1,253,799 | 10,385 | - | - | - | - | - | 835 | - | - | 663,908 |
| Other disbursements | 16,476 | - | 182,374 | - | - | - | - | - | - | - | - |
| Total disbursements | 23,268,823 | 10,385 | 182,374 | - | 1,769,764 | 30,775 | 53,789 | 299,028 | 4,469 | - | 1,695,160 |
| Excess (deficiency) of receipts over disbursements | 638,446 | 5,872 | (182,374) | - | 618,218 | 1,607 | 14,115 | (33,227) | 4,831 | 18,210 | (139,905) |
| Cash and investments - ending | \$ 1,578,054 | \$ 6,917 | \$ (1) | \$ 1,000 | \$ 1,369,188 | \$ 16,839 | \$ 87,801 | \$ 57,579 | \$ 26,265 | \$ 97,122 | \$ 1,523,723 |

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

Example County
Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

| | Clark County Cum Capital | Co. Drug Free Community | Public Safety Fund | Local Emerg. Planning R/T/K | Firearms Training | Health | I.D.Security Protection | Closure-Post Closure | Levy Excess | Local Health Maint. | Local Roads & Streets |
|---|-----------------------------------|----------------------------------|--------------------------|--------------------------------------|----------------------|------------|----------------------------|-------------------------|----------------|---------------------------|--------------------------------|
| Cash and investments - beginning | \$ 2,506,381 | \$ 50,139 | \$ 6,112 | \$ 9,844 | \$ 11,472 | \$ 172,444 | \$ 7,923 | \$ 1,282,910 | \$ 4,687 | \$ 83,643 | \$ 35,681 |
| Receipts: | | | | | | | | | | | |
| Taxes | 927,043 | - | - | - | - | 580,208 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | 11,900 | 124,262 | - | - | - | - | - |
| Intergovernmental | 105,390 | - | - | - | - | 65,918 | - | - | - | - | 652,973 |
| Charges for services | 534,846 | - | - | - | - | 105,318 | 16,527 | 100,000 | - | - | - |
| Fines and forfeits | - | 70,741 | - | - | - | 637 | - | - | - | - | - |
| Other receipts | 42,080 | 4,711 | - | 8,239 | 500 | 21,189 | - | - | - | 36,336 | 77 |
| Total receipts | 1,609,359 | 75,452 | - | 8,239 | 12,400 | 897,532 | 16,527 | 100,000 | - | 36,336 | 653,050 |
| Disbursements: | | | | | | | | | | | |
| Personal services | - | - | - | - | - | 781,968 | - | - | - | 35,956 | - |
| Supplies | - | - | - | - | 10,542 | 14,487 | - | - | - | 1,703 | 494,304 |
| Other services and charges | - | 89,247 | 360 | 2,046 | 6,044 | 25,462 | 12,000 | - | - | 4,925 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 1,861,261 | - | - | 1,122 | 4,732 | 900 | - | - | - | 33,457 | - |
| Other disbursements | - | - | - | - | - | 772 | - | - | - | - | - |
| Total disbursements | 1,861,261 | 89,247 | 360 | 3,168 | 21,318 | 823,589 | 12,000 | - | - | 76,041 | 494,304 |
| Excess (deficiency) of receipts over disbursements | (251,902) | (13,795) | (360) | 5,071 | (8,918) | 73,943 | 4,527 | 100,000 | - | (39,705) | 158,746 |
| Cash and investments - ending | \$ 2,254,479 | \$ 36,344 | \$ 5,752 | \$ 14,915 | \$ 2,554 | \$ 246,387 | \$ 12,450 | \$ 1,382,910 | \$ 4,687 | \$ 43,938 | \$ 194,427 |

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

Example County
Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

| | LIT Public Safety-County Share | Jail Medical Fund | County Misdemeanant | County Highway | Auditor Endorsement Fund | Rainy Day Fund | Recorder's Perpetuation | Riverboat Revenue Fund | and Violent Offender Admin | Sheriff's Pension Trust | Solid Waste N/R | Mosquito Control |
|---|---|-------------------------|------------------------|-------------------|--------------------------------|----------------------|----------------------------|------------------------------|-------------------------------------|-------------------------------|-----------------------|---------------------|
| Cash and investments - beginning | \$ 80,973 | \$ 455 | \$ 36,753 | \$ 1,971,744 | \$ 85,451 | \$ 44,406 | \$ 226,626 | \$ 152,620 | \$ 10,171 | \$ 91,582 | \$ 54,369 | \$ 5,934 |
| Receipts: | | | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | - | - | - | 51,866 |
| Licenses and permits | - | 1,040 | - | 15,400 | - | - | - | - | - | - | - | - |
| Intergovernmental | 1,724,747 | - | - | 3,201,460 | - | - | - | - | - | - | - | 5,921 |
| Charges for services | - | 6,020 | - | - | 30,925 | - | 274,724 | - | 5,121 | - | - | - |
| Fines and forfeits | - | - | 24,720 | - | - | - | - | - | - | 89,104 | - | - |
| Other receipts | 2,934 | - | 71,747 | 35,440 | - | - | - | 167,649 | - | - | - | - |
| Total receipts | 1,727,681 | 7,060 | 96,467 | 3,252,300 | 30,925 | - | 274,724 | 167,649 | 5,121 | 89,104 | - | 57,787 |
| Disbursements: | | | | | | | | | | | | |
| Personal services | - | - | 106,890 | 1,388,696 | 12,556 | - | 154,535 | 14,134 | - | 120,000 | - | 50,135 |
| Supplies | 632,934 | - | - | 1,314,428 | - | - | 4,064 | 5,971 | - | - | - | - |
| Other services and charges | 1,095,574 | 16,505 | - | 377,916 | - | - | 29,388 | 103,014 | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 41,754 | - | - | 834,202 | - | - | 5,928 | - | - | - | - | - |
| Other disbursements | - | - | - | 75 | - | - | - | - | - | - | - | - |
| Total disbursements | 1,770,262 | 16,505 | 106,890 | 3,915,317 | 12,556 | - | 193,915 | 123,119 | - | 120,000 | - | 50,135 |
| Excess (deficiency) of receipts over disbursements | (42,581) | (9,445) | (10,423) | (663,017) | 18,369 | - | 80,809 | 44,530 | 5,121 | (30,896) | - | 7,652 |
| Cash and investments - ending | \$ 38,392 | \$ (8,990) | \$ 26,330 | \$ 1,308,727 | \$ 103,820 | \$ 44,406 | \$ 307,435 | \$ 197,150 | \$ 15,292 | \$ 60,686 | \$ 54,369 | \$ 13,586 |

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

Example County
Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

| | Excess Tax | Surveyor's Perpetuation | Tax Sale Redemption | Tax Sale Surplus | LHD Trust Account Tobacco | Special Vehicle Inspection | Auditors Ineligible Deductions | County Elected Officials Trng | County Offender Transportation | Statewide 911 | Consolidated Admin. Fee Fund |
|---|---------------|----------------------------|---------------------------|------------------------|------------------------------------|----------------------------------|--------------------------------------|--|--------------------------------------|------------------|---------------------------------------|
| Cash and investments - beginning | \$ 132,688 | \$ 53,095 | \$ 8,719 | \$ 1,926,302 | \$ 68,563 | \$ 2,813 | \$ 215,930 | \$ 64,101 | \$ 10,062 | \$ 487,806 | \$ 212,451 |
| Receipts: | | | | | | | | | | | |
| Taxes | 276,345 | - | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - | - | - | - |
| Charges for services | - | 64,450 | - | - | - | 1,670 | - | 16,522 | - | 1,247,948 | 70 |
| Fines and forfeits | - | - | - | - | - | - | - | - | 3,572 | - | 53,338 |
| Other receipts | 37 | - | 339,446 | 2,788,923 | 22,681 | - | - | - | - | - | - |
| Total receipts | 276,382 | 64,450 | 339,446 | 2,788,923 | 22,681 | 1,670 | - | 16,522 | 3,572 | 1,247,948 | 53,408 |
| Disbursements: | | | | | | | | | | | |
| Personal services | - | - | - | - | 14,975 | - | 15,688 | - | - | 1,178,532 | - |
| Supplies | - | 389 | - | - | - | - | 6,776 | - | - | - | - |
| Other services and charges | 208,695 | 38,315 | 342,176 | 1,851,855 | 16,400 | - | 27,061 | 1,484 | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | 900 | - | - | - | 4,088 | 1,224 | - | - | - | - |
| Other disbursements | 35,222 | - | - | - | - | - | - | - | - | - | - |
| Total disbursements | 243,917 | 39,604 | 342,176 | 1,851,855 | 31,375 | 4,088 | 50,749 | 1,484 | - | 1,178,532 | - |
| Excess (deficiency) of receipts over disbursements | 32,465 | 24,846 | (2,730) | 937,068 | (8,694) | (2,418) | (50,749) | 15,038 | 3,572 | 69,416 | 53,408 |
| Cash and investments - ending | \$ 165,153 | \$ 77,941 | \$ 5,989 | \$ 2,863,370 | \$ 59,869 | \$ 395 | \$ 165,181 | \$ 79,139 | \$ 13,634 | \$ 557,222 | \$ 265,859 |

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

Example County
Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

| | Ct. 4 Juv Admn Fee | Consolidated Prob. User Fee | ADR Superior Court | Cemetery Fund | User Fee 2501 17 2527 2528 25 | Drainage Board N/R Fee | Funds #4501#4502 #4503 & #4504 | Service 4604 4605 4608 4610 4612 | Health Insurance Fund | Landfill Expansion Project N/R | Payroll |
|---|-----------------------------|--------------------------------------|--------------------------|------------------|--|---------------------------------|---|---|-----------------------------|---|--------------|
| Cash and investments - beginning | \$ 42,493 | \$ 444,046 | \$ 82,984 | \$ 322 | \$ 1,494,948 | \$ 46,511 | \$ 17,609 | \$ 735,578 | \$ 3,220,644 | \$ 1,151,339 | \$ 5,193,961 |
| Receipts: | | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | 107,785 | 10,847,823 | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 1,440 | - | - | - | 1,026,667 | - | - |
| Charges for services | - | - | - | - | 4,925 | - | - | - | - | 12,635 | - |
| Fines and forfeits | 3,427 | 322,501 | 11,841 | - | 303,972 | 7,800 | - | - | - | - | - |
| Other receipts | - | 3,770 | - | 1,000 | 5,277 | - | 4,685 | - | 1,350,529 | 3,625,107 | - |
| Total receipts | 3,427 | 326,271 | 11,841 | 1,000 | 315,614 | 7,800 | 4,685 | 107,785 | 13,225,019 | 3,637,742 | - |
| Disbursements: | | | | | | | | | | | |
| Personal services | - | 258,977 | 1,542 | - | 175,334 | - | - | - | - | 86,122 | - |
| Supplies | - | 1,908 | - | 3,320 | 4,150 | - | 1,429 | - | - | - | 828 |
| Other services and charges | - | 83,597 | 8,708 | - | 132,727 | 150 | - | - | 2,039,750 | 3,647,479 | 40,534 |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | 11,324,886 | - | - |
| Capital outlay | - | 11,252 | - | - | - | - | - | - | - | - | - |
| Other disbursements | - | - | 100 | - | 850 | - | - | - | - | 6,988 | - |
| Total disbursements | - | 355,734 | 10,350 | 3,320 | 313,061 | 150 | 1,429 | - | 13,364,636 | 3,740,589 | 40,534 |
| Excess (deficiency) of receipts over disbursements | 3,427 | (29,463) | 1,491 | (2,320) | 2,553 | 7,650 | 3,256 | 107,785 | (139,617) | (102,847) | (40,534) |
| Cash and investments - ending | \$ 45,920 | \$ 414,583 | \$ 84,475 | \$ (1,998) | \$ 1,497,501 | \$ 54,161 | \$ 20,865 | \$ 843,363 | \$ 3,081,027 | \$ 1,048,492 | \$ 5,153,427 |
| | | | | | | | | | | | \$ 197 |

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

Example County

Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

| | AFLAC | Medicare W/H | Fed. Cr. Union W/H | Federal Tax | County Tax W/H | PERF W/H | State Tax W/H | Wage Garnishment W/H | Total |
|---|-----------|-----------------|-----------------------------|----------------|----------------------|-------------|---------------------|----------------------------|---------------|
| Cash and investments - beginning | \$ 6,981 | \$ 18 | \$ - | \$ - | \$ 24,076 | \$ 3,464 | \$ 42,425 | \$ 425 | \$ 26,442,393 |
| Receipts: | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | 18,479,824 |
| Licenses and permits | - | - | - | - | - | - | - | - | 246,875 |
| Intergovernmental | - | - | - | - | - | - | - | - | 15,369,341 |
| Charges for services | - | - | - | - | - | - | - | - | 3,176,501 |
| Fines and forfeits | - | - | - | - | - | - | - | - | 1,685,903 |
| Other receipts | 272,484 | 1,464,266 | 28,028 | 1,952,305 | 328,290 | 484,737 | 553,233 | 119,676 | 26,078,834 |
| Total receipts | 272,484 | 1,464,266 | 28,028 | 1,952,305 | 328,290 | 484,737 | 553,233 | 119,676 | 65,037,278 |
| Disbursements: | | | | | | | | | |
| Personal services | - | - | - | 141 | - | - | - | - | 21,866,270 |
| Supplies | - | - | - | - | - | - | - | - | 3,208,874 |
| Other services and charges | 242,120 | 1,461,926 | 28,028 | 1,952,157 | 326,364 | 484,765 | 551,814 | 139,442 | 22,393,088 |
| Debt service - principal and interest | - | - | - | - | - | - | - | - | 11,324,886 |
| Capital outlay | - | - | - | - | - | - | - | - | 4,729,747 |
| Other disbursements | - | - | - | - | - | - | - | - | 242,854 |
| Total disbursements | 242,120 | 1,461,926 | 28,028 | 1,952,298 | 326,364 | 484,765 | 551,814 | 139,442 | 63,765,719 |
| Excess (deficiency) of receipts over disbursements | 30,364 | 2,340 | - | 7 | 1,926 | (28) | 1,419 | (19,766) | 1,271,559 |
| Cash and investments - ending | \$ 37,345 | \$ 2,358 | \$ - | \$ 7 | \$ 26,002 | \$ 3,436 | \$ 43,844 | \$ (19,341) | \$ 27,713,952 |

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

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT

Note X. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a County Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the County

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented by category as follows:

Taxes. Amounts received from one or more of the following: property tax, local income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, riverboat receipts received from the county, and receipts received from the state such as cigarette tax distributions, motor vehicle highway distributions, local road and street distributions, financial institution tax, auto excise surtax, commercial vehicle excise tax, and major moves distributions.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

H. Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements other than buildings, machinery, equipment, vehicles, books, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the capital asset schedule contained in the supplemental information. Items are capitalized when their value exceeds the threshold established by the County and its estimated useful life is greater than one year.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Donated assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement are reported at acquisition value. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are considered an operating expense.

The capital asset threshold established by the County is \$5,000.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note X. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note X. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lean date of January 1. Taxable property is assessed at 100 percent 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 which normally become delinquent if not paid by May 10 and November 10, respectively.

Note X. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the County to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note X. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund, if established, would be included in the financial statements. Participation in a risk pool is an arrangement by which governments pool risks and funds and share in the cost of losses.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note X. Long-term Debt

A. Changes in Long-term Debt

Changes in long-term obligations for the year ended December 31, 2019, are as follows:

| County | Beginning Balance | Additions | Reductions | Ending Principal Balance | Due Within One Year |
|--------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|
| | 1/1/2019 | | | 12/31/19 | |
| General Obligation Bonds | \$ 605,000 | \$ 72,756 | \$ 92,756 | \$ 585,000 | \$ 42,526 |
| Memorial Coliseum | | | | | |
| Notes and Loans Payable | 2,812,824 | 1,500,000 | 1,673,000 | 2,639,824 | 279,889 |
| Totals | <u>\$ 3,417,824</u> | <u>\$ 1,572,756</u> | <u>\$ 1,765,756</u> | <u>\$ 3,224,824</u> | <u>\$ 322,415</u> |

B. Debt Service Requirements to Maturity

Debt service requirements on long-term debt at December 31, 2019, are as follows:

| General Government Year Ended December 31 | General Obligation Bonds | | | |
|---|--------------------------|-------------------|-------------------|-------|
| | | Principal | Interest | Total |
| 2020 | \$ 20,000 | \$ 22,526 | \$ 42,526 | |
| 2021 | 20,000 | 22,101 | 42,101 | |
| 2022 | 30,000 | 21,538 | 51,538 | |
| 2023 | 40,000 | 23,587 | 63,587 | |
| 2024 | 50,000 | 24,567 | 74,567 | |
| 2025-2029 | 425,000 | 128,178 | 553,178 | |
| | <u>\$ 585,000</u> | <u>\$ 242,497</u> | <u>\$ 827,497</u> | |

| Memorial Coliseum Year Ended December 31 | Notes and Loans Payable | | | |
|--|-------------------------|-------------------|---------------------|-------|
| | | Principal | Interest | Total |
| 2020 | \$ 178,000 | \$ 101,889 | \$ 279,889 | |
| 2021 | 186,000 | 94,905 | 280,905 | |
| 2022 | 193,000 | 87,610 | 280,610 | |
| 2023 | 195,000 | 85,642 | 280,642 | |
| 2024 | 197,000 | 83,442 | 280,442 | |
| 2025-2029 | 691,000 | 149,697 | 840,697 | |
| | <u>1,030,000</u> | <u>91,956</u> | <u>1,121,956</u> | |
| | <u>\$ 2,639,824</u> | <u>\$ 695,141</u> | <u>\$ 3,365,141</u> | |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note X. Leases

The County has entered into a lease for ten police cars. The lease term began on January 15, 2017, and ends on July 15, 2027. The lease is being paid in semi-annual installments as defined in the schedule of rental payments of the lease agreement.

Principal and interest requirements to maturity as of December 31 2019, are as follows:

| Year Ended December 31 | Principal | Interest | Total |
|-----------------------------------|-------------------|-----------------|-------------------|
| 2020 | \$ 29,976 | \$ 2,372 | \$ 32,348 |
| 2021 | 29,976 | 1,746 | 31,722 |
| 2022 | 29,976 | 1,130 | 31,106 |
| 2023 | 29,976 | 490 | 30,466 |
| 2024 | 29,976 | 334 | 30,310 |
| 2025-2027 | 149,880 | 3,065 | 152,945 |
| Totals | \$ 299,760 | \$ 9,137 | \$ 308,897 |

The County has entered into a lease to purchase a building. The lease term began April 1, 2017, and ends on March 1, 2029. The lease is being paid in monthly installments as defined in the schedule of payments of the lease agreement.

Principal and interest requirements to maturity as of December 31 2019, are as follows:

| Year Ended December 31 | Principal | Interest | Total |
|-----------------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 106,774 | \$ 22,716 | \$ 129,490 |
| 2021 | 158,850 | 10,938 | 169,788 |
| 2022 | 162,382 | 10,748 | 173,130 |
| 2023 | 165,990 | 10,558 | 176,548 |
| 2024 | 169,676 | 10,366 | 180,042 |
| 2025-2029 | 430,080 | 50,870 | 480,950 |
| Totals | \$ 1,193,752 | \$ 116,196 | \$ 1,309,948 |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note X. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2019:

| | |
|-----------------------------|--------------------|
| Urban Conservation | \$ (4,214) |
| Cemetery Fund | (1,998) |
| Wage Garnishment W/H | <u>(19,341)</u> |
| | |
| Total deficit fund balances | <u>\$ (25,553)</u> |

Note X. Interfund Activity

Interfund transfer activity for the year ended December 31, 2019, is as follows:

| <u>Transfer From</u> | <u>Transfer to</u> | | | | Total |
|-----------------------------|--------------------|-----------------------|----------------------------------|-----------|----------------|
| | General | Motor Vehicle Highway | Supplemental Beverage & Beverage | | |
| General | \$ - | \$ 300,000 | \$ 7,500 | \$ | 307,500 |
| Motor Vehicle Highway | 2,000 | - | - | - | 2,000 |
| Museum Coliseum - Operating | - | - | 15,000 | - | 15,000 |
| Total | <u>\$ 2,000</u> | <u>\$ 300,000</u> | <u>\$ 22,500</u> | <u>\$</u> | <u>324,500</u> |

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note X. Significant Contingent Liabilities

A jury awarded \$50,000 to a former employee of the County for alleged wrongful termination of employment. The County has appealed the judgment on the basis of errors in the judge's instructions to the jury and insufficiency of evidence to support the amount of the jury's awards.

The final resolution of this matter is not expected to have a material effect on the County's financial position.

Note X. Significant Commitments

The County has a contractual obligation to purchase a building during the year ended December 31, 2019, in the amount of \$200,000.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note X. Subsequent Events

The County entered into an agreement with a developer on January 15, 2020, to initiate a housing development on property owned by the County Redevelopment Commission. The housing development is expected to cost \$2,500,000.

Note X. Pension Plans

Public Employees' Retirement System - Defined Benefit Plan

Plan Description

PERF Defined Benefit is a cost-sharing, multiple-employer defined benefit Plan which is generally administered in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. The account provides retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions that elect to participate in the retirement plan. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, or 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.

New employees hired by the State or a participating political subdivision have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for My Choice is given the option to elect My Choice or remain in PERF Hybrid. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), the defined contribution component.

Members consist of officers and employees of units of the State and participating political subdivisions. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by INPRS. To be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one (1) year of service in both PERF DB and the Teachers' Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Retirement Benefits

The following table is a summary of the key information for this plan.

| Full Retirement Benefit | |
|--|---|
| Eligibility | Annual Pension Benefit |
| Age 65 and 10 years (eight years for certain elected officials) of creditable service, Age 60 and 15 years of creditable service, and Age 55 if age and creditable service total at least 85. | Equals 1.1 percent X Average Annual Compensation X Years of Creditable Service. Average annual compensation uses the 20 highest calendar quarters (or only four quarters for an elected official), in groups of four consecutive calendar quarters with no quarter used more than once (includes member contributions paid for by the employer and up to \$2,000 of severance). |
| Early Retirement Benefit | |
| Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing 5 percent per year up to 89 percent at age 59). | |
| Disability Benefit | |
| An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). | |
| Survivor Benefit | |
| While in Active Service Minimum of 15 years of service or member was at least age 65 with 10 to 14 years of service. A spouse or dependent beneficiary immediately receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. | While Receiving a Benefit If the member selected one of the following forms of payment: Five Year Guaranteed, Joint with Full, Joint with Two-Thirds, Joint with One-Half, a spouse or dependent receives the benefit associated with the selected form of payment. |
| Cost of Living Adjustment (COLA) | |
| Ad hoc. No COLA, but a one-time check (13th check) by October 1, 2017 for members retired before December 1, 2016 of \$150 to \$450 depending on service. | |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

Contributions. Contributions are determined by the INPRS Board of Trustees based on actuarial valuation. During the fiscal year ended June 30, 2018, the County contributed 11.2% of covered payroll for hybrid members and for My Choice members a supplemental cost of 7.8 percent.

Financial Report

INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplemental information for the plan as a whole. This report may be obtained by emailing questions@inprs.in.gov, by visiting www.in.gov/inprs, or by writing the following:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 462040

Actuarial Assumptions

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

| | |
|---------------------------------|---|
| Interest rate/investment return | 6.75% |
| Future salary increases | 2.50% - 4.25% |
| Inflation | 2.25% |
| Cost of living increases | 2018-2019 - 13th check, 2020 - 1.0% compounded annually. |

Mortality rates for healthy and disabled members were based on the RP-2014 Total Data Set mortality table, with Social Security Administration generational improvement scale from 2006.

The most recent comprehensive experience study was completed in 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2017 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the 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 for each asset class. 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------------|--------------------------|---|
| | (%) | (%) |
| Public equity | 22.0 | 4.4 |
| Private equity | 14.0 | 5.4 |
| Fixed income - ex inflation - linked | 20.0 | 2.2 |
| Fixed income - inflation - linked | 7.0 | 0.8 |
| Commodities | 8.0 | 2.3 |
| Real estate | 7.0 | 6.5 |
| Absolute return | 10.0 | 2.7 |
| Risk parity | 12.0 | 5.2 |
| Total | 100.0 | |

Discount Rate

Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the County would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

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%, 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%) or 1-percentage-point higher (7.75%) than the current rate:

| | 1% Decrease (5.75%) | Current Rate (6.75%) | 1% Increase (7.75%) |
|--|----------------------------|-----------------------------|----------------------------|
| State's proportionate share of the net pension liability | 1,674,693 | 1,148,261 | 710,650 |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Pension Liability

The net pension liability for PERF was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to the measurement date. Member census data as of June 30, 2017, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2017 to the June 30, 2018 measurement date. Wages reported by the County relative to the collective wages of the plan served as the basis to determine the County's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2018, the County's proportion was 1.35973%, which was a decrease of 0.02698% from its proportion measured as of June 30, 2017.

At December 31, 2018, the County reported a net pension liability of \$896,740.

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan and is generally administered in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. The plan provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

New employees hired by the State, or a participating political subdivision, have a one-time election to join either the Public Employees' Defined Benefit Account (Hybrid Plan) or My Choice. A new hire that is an existing member of the Public Employees' Defined Benefit Account (Hybrid Plan), and was not given the option for My Choice, is given the option to elect My Choice or remain in the Public Employees' Defined Benefit Account (Hybrid Plan).

PERF DC consists of two tiers:

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Members are 100 percent vested in all member contributions and are vested in employer contributions (see Contributions section), which includes all employer contributions and earnings as follows:

| | |
|----------------------------------|------|
| One (1) year of participation | 20% |
| Two (2) years of participation | 40% |
| Three (3) years of participation | 60% |
| Four (4) years of participation | 80% |
| Five (5) years of participation | 100% |

The City contributed 3.4% to My Choice members' accounts during the fiscal year ended June 30, 2018. My Choice members totaled 3,334 as of June 30, 2018.

Members may withdraw their account balance upon retirement, termination, disability, or death. As of January 1, 2018, Metlife is an available option for members to choose to annuitize their defined contribution balance.

My Choice

The My Choice retirement and termination benefit is that after a 30 day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Investments in the members' accounts are self-directed as participants direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are eight investment options available to My Choice members: Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily, and investments of the plan are reported at fair value.

At December 31, 2017, the County reported a net pension liability of \$896,740.

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Single-Employer Defined Benefit Plan

County Utility Service Board Employees' Pension Plan

Plan Description

The County contributes to the Utility Service Board Employees' Pension plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (Indiana Code 8-1.5-3-7). The pension board consists of three members, two trustees elected from active members, and one trustee elected from retired members. The plan was established and may be amended by the plan administrator as provided by state statute. The plan administrator does not issue a publicly available financial report that includes and financial statements and required supplementary information of the plan.

Benefits Provided

The plan provides retirement disability, and death benefits to plan members and beneficiaries. Retirement benefits for general employees are calculated as 2 percent of the employee's final 5-year average salary times the employee's years of service. Benefits for public safety employees are calculated as 3 percent of the employee's final 3-year average salary times the employee's years of service. General employees with 10 years of continuous service are eligible to retire at age 60. Public safety employees with 10 years of continuous service are eligible to retire at age 55. General employees may retire at any age after 30 years of service. Public safety employees may retire at any age after 20 years of service. All employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's final full-year salary. An employee who leaves County service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

At December 31, 2017, the following employees were covered by the benefit terms:

| | |
|--|----------------------|
| Inactive employees or beneficiaries currently receiving benefits | 4,002 |
| Inactive employees entitled to but not yet receiving benefits | 1,207 |
| Active employees | <u>5,347</u> |
| | <u><u>10,556</u></u> |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

The State grants the authority to establish and amend the contribution requirements of the County and active employees to the CERS Board. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 20X9, the average active employee contribution rate was 7.0 percent of annual pay, and the County's average contribution rate was 17.74 percent of annual payroll.

Net Pension Liability

Actuarial Assumptions

The total pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.5 percent |
| Salary increases | 4.5 percent, average, including inflation |
| Investment rate of return | 7.75 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic equity | 46% | 5.4% |
| International equity | 21 | 5.5 |
| Fixed income | 26 | 1.3 |
| Real estate | 6 | 4.5 |
| Cash | 1 | 0.0 |
| Total | 100% | |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The sensitivity of the net pension liability to changes in the discount rate are as follows:

| | <u>1% Decrease</u> | <u>Current Rate</u> | <u>1% Increase</u> |
|-----------------------|--------------------|---------------------|--------------------|
| Net Pension Liability | \$ 826,923 | \$ 751,753 | \$ 661,543 |

Note X. Other Postemployment Benefits

Single-Employer Defined Benefit Plan

Sample County Retiree Benefits Plan

Plan Description

The County's defined benefit OPEB plan, Sample County Retiree Benefits Plan (SCRBP), provides OPEB for all permanent full-time general and public safety employees of the County. SCRBP is a single-employer defined benefit OPEB plan administered by the Sample County Employees Retirement System (SCERS). Chapter 21 of the Sample County Code grants the authority to establish and amend the benefit terms to the SCERS Board of Trustees (SCERS Board). SCERS issues a publicly available financial report that can be obtained at [Internet address].

Benefits Provided

STRBP provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

At December 31, 2017, the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 1,307 |
| Inactive employees entitled to but not yet receiving benefit payments | 142 |
| Active employees | <u>8,356</u> |
| | <u><u>9,805</u></u> |

EXAMPLE COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

Chapter 21 of the Sample Code grants the authority to establish and amend the contribution requirements of the City and employees to the SCERS Board. The Board establishes rates based on an actuarially determined rate. For the year ended December 31, 2019, the County's average contribution rate was 4.19 percent of covered-employee payroll. Employees are not required to contribute to the plan

Supplementary Information

Capital Assets

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

| County Assets | Beginning Balance 01/01/19 | Additions | Reductions | Ending Balance 12/31/19 |
|--|-------------------------------|---------------------|---------------------|----------------------------|
| General Government Activities | | | | |
| Land | \$ 1,371,633 | \$ 500,000 | \$ 49,682 | \$ 1,821,951 |
| Infrastructure | 1,591,231 | 352,789 | 256,251 | 1,687,769 |
| Buildings | 25,348,431 | 3,500,000 | 1,750,000 | 27,098,431 |
| Improvements other than Buildings | - | - | - | - |
| Machinery, Equipment and Vehicles | 9,476,302 | 2,000,000 | 1,260,350 | 10,215,952 |
| Construction in Progress | 75,000 | 25,000 | - | 100,000 |
| Total general government capital assets | \$ 37,787,597 | \$ 6,352,789 | \$ 3,316,283 | \$ 40,824,103 |
| Memorial Coliseum | | | | |
| Land | \$ 484,622 | \$ 50,000 | \$ 40,020 | \$ 484,622 |
| Infrastructure | 5,716,235 | 200,000 | - | 5,916,235 |
| Building | 19,961,506 | - | 500,000 | 19,461,506 |
| Improvements other than Buildings | - | - | - | - |
| Machinery, Equipment, and Vehicles | 2,366,162 | - | 50,788 | 2,315,374 |
| Construction in Progress | - | - | - | - |
| Total memorial coliseum capital assets | \$ 28,528,525 | \$ 250,000 | \$ 590,808 | \$ 28,177,736 |