



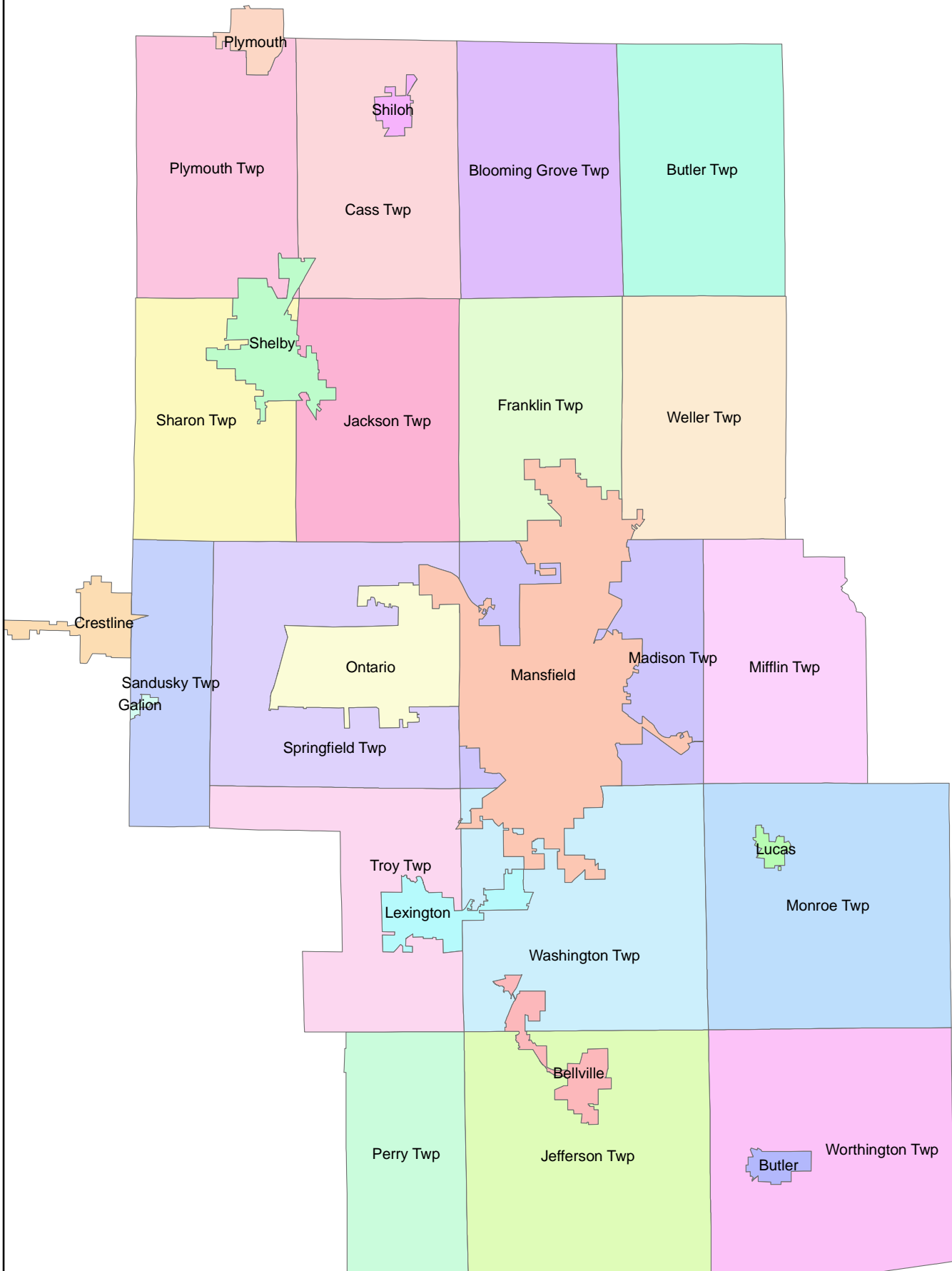
**Popular Annual Financial Report
For the Year Ending December 31, 2020
Patrick W. Dropsey, Auditor**

Table of Contents

Richland County Map	
Auditor's Report to Citizens	1
Richland County Government Organizational Chart	2
County Overview	3
Local Economy and Major County Initiatives	4-5
Financial Position	6-7
Revenues	8
Expenses	9
Taxes	10
General Fund Expenditures	11
Tax Distribution to Schools, Cities and Villages	12
Tax Distribution to Townships	13
Capital Assets	14
Outstanding Debt	15
Elected Officials	16

This Report has been prepared within Richland County in the interest of an informed citizenry.

RICHLAND COUNTY, OHIO



PATRICK W. DROPSEY

RICHLAND COUNTY AUDITOR



50 PARK AVENUE EAST, MANSFIELD, OHIO 44902
TELEPHONE 419-774-5501

Citizens of Richland County:

I am pleased to present, as Chief Financial Officer for Richland County, the Popular Annual Financial Report, (PAFR) for the fiscal year ended December 31, 2020. This report provides a brief analysis of where the County revenues come from and where those dollars are spent, and an overview of local economic trends. Above all, it is designed to present an easily understandable financial report.

The information in this report is taken from the Richland County Comprehensive Annual Financial Report. The comprehensive annual report is a detailed account of the County's financial statement, notes, schedules, and statistical tables, encompassing over 200 pages. The Comprehensive Annual Financial Report was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the State Auditor's Office, receiving an unmodified opinion. The Comprehensive Annual Financial Report is available in the Richland County Auditor's Office for review or on our web-site at www.richlandcountyauditor.org under the financial reports tab. To obtain a copy of the Comprehensive Annual Financial Report, please call (419) 774-5545.

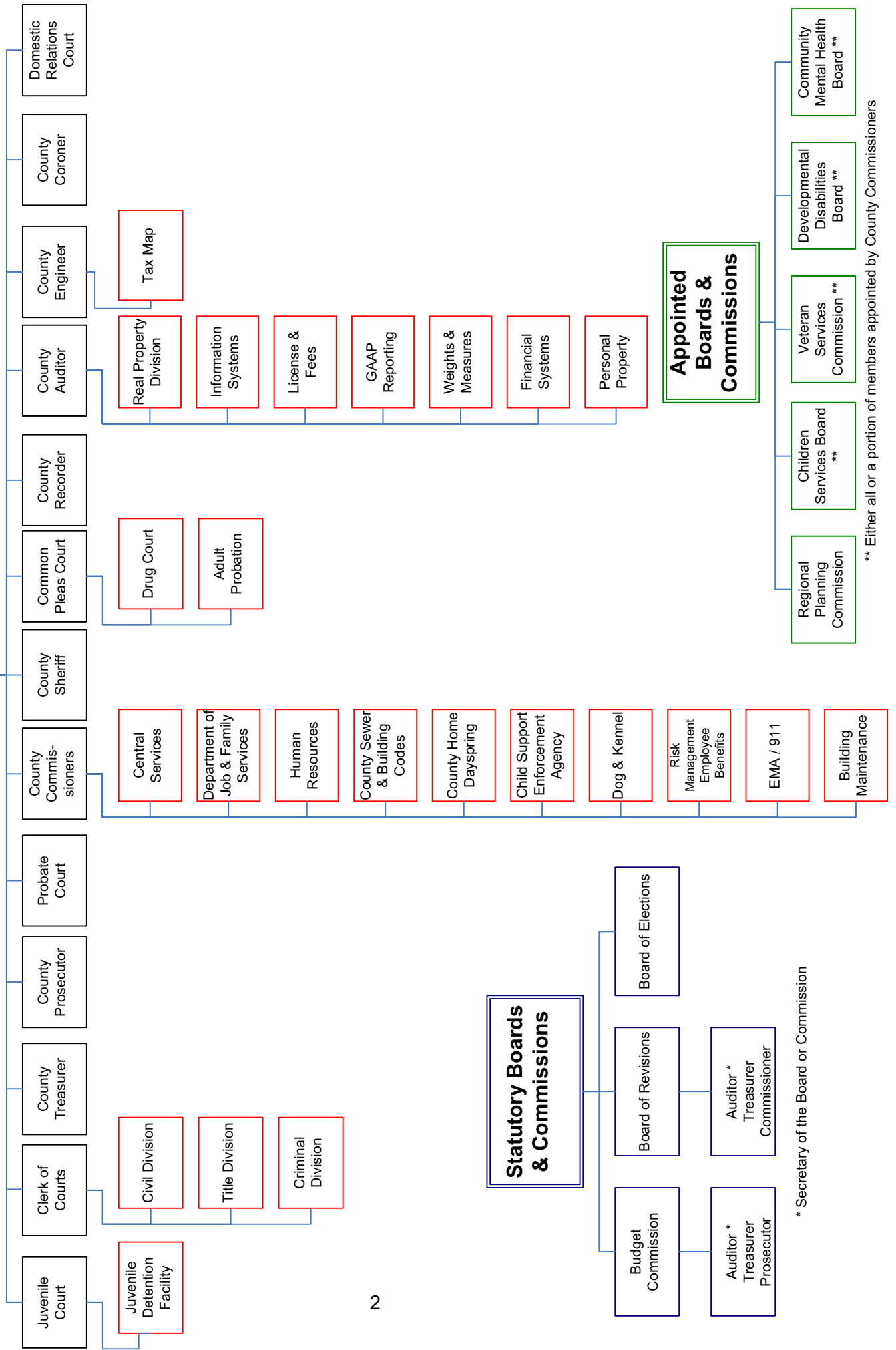
This is Richland County's Twenty-second PAFR, and is formulated as an easy-to-read version of the County's Comprehensive Annual Financial Report that is published on a yearly basis. The PAFR is unaudited and presented on a GAAP basis. This is a summarized report that presents selected financial and statistical information for primary government activities. It does not include business-type information.

Thank you for your interest in Richland County Government and how it functions. Please feel free contact the Richland County Auditor's Office with questions, comments or suggestions concerning this report.

Sincerely,

Patrick W. Dropsey
Richland County Auditor

Voters Of Richland County



Profile of the County

Richland County was organized into a separate political entity in 1813. It encompasses nineteen townships, six villages, with Lexington being the largest, the City of Shelby, a small portion of the Cities of Crestline and Galion, the City of Ontario, and the City of Mansfield, which is the County seat. The County has an area of 449 square miles and has a population of 121,154, according to an estimate by the United States Census Bureau.

A three-member Board of Commissioners, thirteen other elected officials and various department heads govern the County. Elected officials and department heads manage the internal operations of their respective divisions. The chief administrator of the County is the Board of Commissioners which authorizes expenditures and serves as the budget and taxing authority and contracting body for County services.

The County Auditor is fiscal officer, assessor of real and personal property, administrator of the data processing center and sealer of weights and measures. The Auditor is also responsible for maintenance of financial records, establishment of subdivision tax rates, calculation of the tax list, and distribution of the revenues generated from the tax list.

The County Treasurer is custodian of all County funds and is responsible for the investment of those funds. The Treasurer also collects all revenues generated from the Auditor's tax list. Those remaining elected officials include the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, two Common Pleas Court Judges, a Juvenile Judge, a Domestic Relations Judge, and Probate Judge.

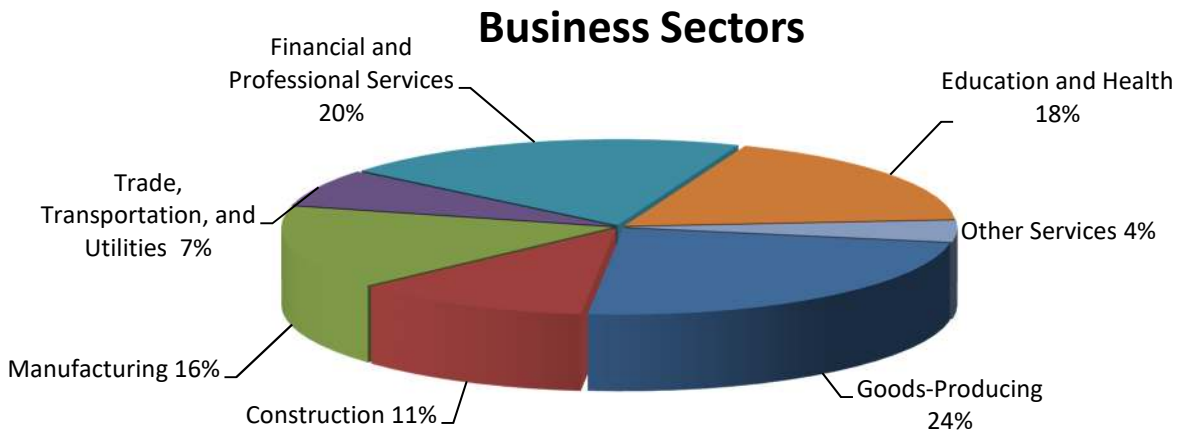
Richland County employs just under 800 people who provide various services to benefit its citizens. These services include welfare and social services, justice system services, sewer services, road and bridge services, support services, police protection and other miscellaneous County services.

The County's reporting entity has been defined in accordance with principles established by the Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity." The reporting entity is comprised of the primary government and business-type units. The primary government consists of all funds, departments, agencies, institutions, commissions, and organizations that are not legally separate from the County. For Richland County, the primary government includes the Children Services Board, the Board of Developmental Disabilities (DD), the Alcohol, Drug and Mental Health Board, the Job and Family Services Department, the Richland County Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials. The business-type unit consists of the County wastewater department. Please refer to the County's 2020 Comprehensive Annual Financial Report for business-type activities.

By statute, the annual appropriations adopted are by the Board of County Commissioners within the first quarter of the year. All disbursements and transfers of cash among funds require appropriation authority from the Board of Commissioners. Budgets are controlled at the object level for the general fund and at the fund level for all other funds. Purchase orders are submitted to the Auditor's Office by department heads; the funds are then encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional resources are secured.

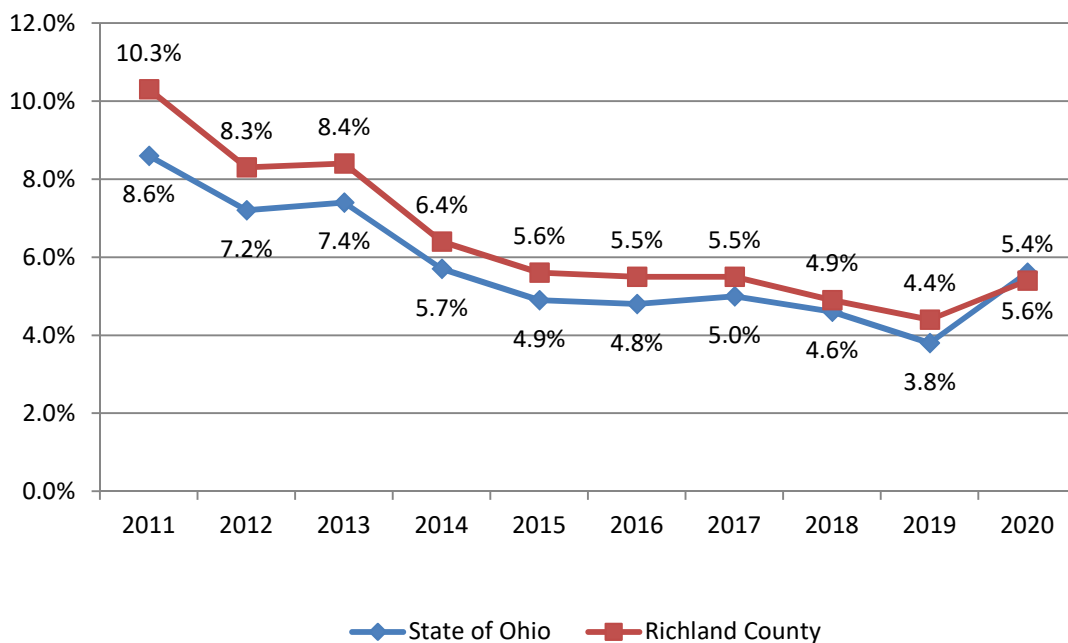
Local Economy

The County is located in north central Ohio, approximately halfway between the cities of Columbus and Cleveland. This centralized location has been a key factor in the County's growth and economic development. The economy is broad –based with no single industry dominating it. The County's largest employers include MedCentral Health Systems, Richland County and Gorman-Rupp. The chart below shows the proportionate number of employees in the various industries (excluding government), as reported by the United States Bureau of Labor Statistics.



Despite the diversity of the business sectors, the County has an unemployment rate of 5.4 percent, slightly lower than the state average of 5.6 percent. Although the unemployment rate is higher than the state average because of Richland County's centralized location many companies have expressed interest in expanding operations to our area.

Unemployment Rates



Long-Term Financial Planning

Richland County has an ongoing one and one quarter percent permissive sales tax of which the initial half percent and two-thirds of the additional three quarter percent benefits the County's General Fund. A portion of the other one-third of the additional three quarter percent is given to the County's cities, villages and townships to be used for road improvements.

The County maintains a credit rating of A2 from Moody's for general obligation debt. This rating is listed described by Moody's as high quality and very low credit risk for investors.

The County operates a jail that combines both Richland County and the City of Mansfield's jail facilities into one structure. The City of Mansfield leases 80 beds and pays the County for housing and medical costs of their inmates. The County acts as the central booking agent for both County and City prisoners and the City provides ambulatory services for the facility. The consolidation allows both entities to lower their costs and to more efficiently operate their correctional operations.

Relevant Financial Policies

The County's Budget Commission has developed a practice of establishing certificates of estimated resources based on ninety percent of estimated revenues. This practice helps account for fluctuations in sales tax, and other economic driven factors affecting the County's revenue sources. The County Commissioners meet with departments and create mid-year budgets for the next year as well as quarterly meetings to discuss current year activities. This budgeting process allowed the Commissioner to better monitor expenses and to created contingencies for fluctuations during the year.

Major Initiatives

The County has been working with the Richland County Foreclosure Prevention Committee to create ways to reduce the growing number of home foreclosures in the County. Home foreclosures have increased at a record pace over the last five years. The Committee is working to educate borrowers through the loan process to ensure they do not get a mortgage they cannot afford. The Committee is also working to create a mediation process between lenders and borrowers to resolve foreclosure cases without the borrower losing their home.

During 2020, the County Commissioners in coordination with Richland County Soil and Water Conservation District started the Black Fork Cleanup Project. The project will help clean and maintain the Black Fork River and reduce flooding for about 10,500 properties in Richland and Crawford counties.

The Richland County Land Reutilization Corporation facilitates the effective reutilization of vacant, abandoned, tax-foreclosed, or other real property situated within the County's boundaries. At December 31, 2020 the Corporation has transferred over 350 properties for rehabilitation and reutilization.

County's Financial Position

The County's financial statements distinguish **governmental activities** that are principally supported by taxes and intergovernmental revenues from **business-type activities** that cover their costs through user fees and charges. This report contains only information related to the County's governmental activities. Please refer to the County's 2020 Comprehensive Annual Financial Report for information on business-type activities.

Net Position Governmental Activities		
	2020	2019
Assets		
Cash and Investments	\$ 81,797,667	\$ 71,232,839
Receivables	41,737,821	40,765,220
Capital assets	100,919,726	104,066,141
Other Assets	1,137,616	1,367,210
Total Assets	225,592,830	217,431,410
Deferred Outflows of Resources	17,136,514	29,207,163
Liabilities		
Short-term Liabilities	6,165,993	8,384,203
Long-term Liabilities	123,895,528	146,628,940
Total Liabilities	130,061,521	155,013,143
Deferred Inflows of Resources	20,520,910	20,520,910
Net Position		
Net Investment in Capital Assets	80,235,001	80,927,609
Restricted	69,454,067	66,068,732
Unrestricted	(74,871,075)	(75,891,821)
Total Net Position	\$ 74,817,993	\$ 71,104,520

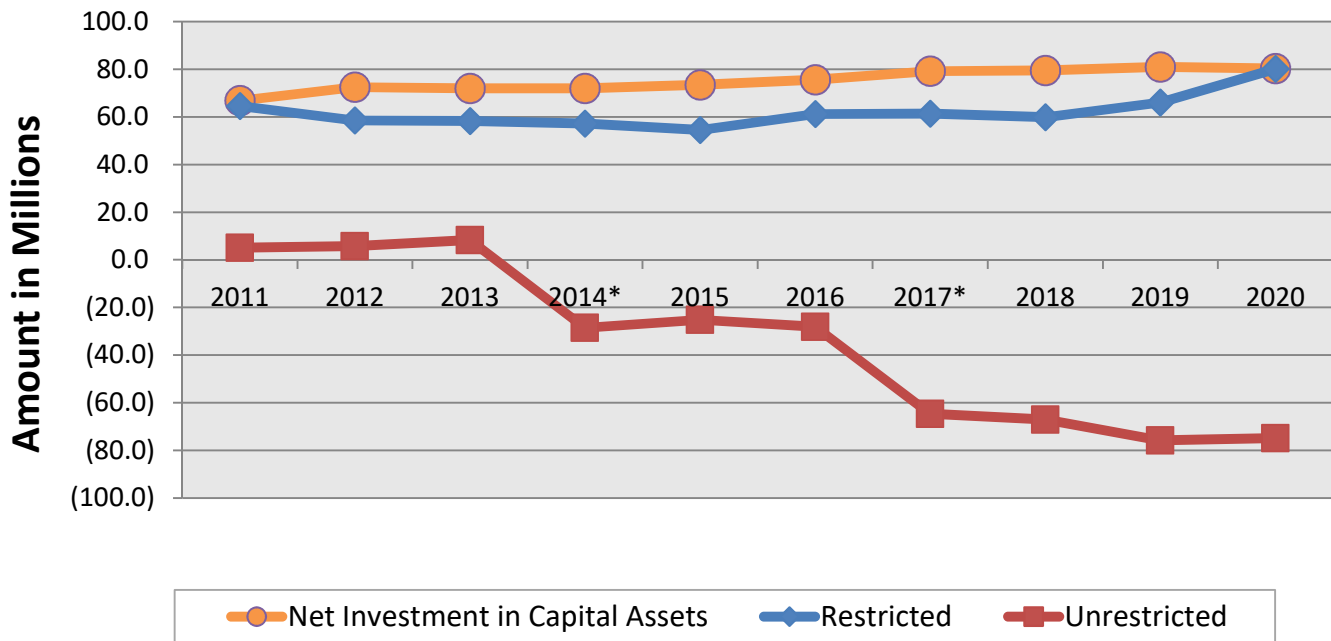
ASSETS provide financial benefits to the County. **Cash and investments** consist of physical cash, and investments held by the County Treasurer or held with outside banks accounts. **Receivables** represent the amounts that are owed to the County and are expected to be collected over the course of the next twelve months. **Capital assets** represents land, buildings and improvements, roads, bridges, equipment and construction in progress, and are shown as net of accumulated depreciation. **Other assets** consist of materials and supplies inventory, prepaid items, and deferred outflows of resources. **Deferred Outflows of Resources** consist of pension and debt related items that will decrease net position in the future.

LIABILITIES place a financial burden on the County. **Short-term Liabilities** consist of accrued wages and benefits are those payments the County owes to employees for salaries, and associated benefits and compensated absences. Payables consist of payments owed to companies and individuals that provide services or goods to the County. Due to other funds and governments primarily consist of amounts owed to other funds or entities of the County from property taxes. This amount also includes monies owed to other governments for goods and services provided by them to the County. **Long-term Liabilities** include Notes, bonds, leases payable are amounts owed for debt issuance payments. **Deferred Inflows of Resources** consists of property taxes levied to finance 2021 operations and grant monies received before eligibility requirements have been met.

County's Financial Position

Net Position is the difference between assets and liabilities, and if reviewed over time can be used as an indicator of the County's financial position. Net position are broken down into three major categories invested in capital assets, restricted and unrestricted net position. The chart below represents the amount of net position for each category for the last ten years.

Net position can serve as a useful indicator of a government's position. Overall the County's net position has stayed pretty consistent and has bounced back from the 2008 recession. The application of GASB 68 reporting for pension liabilities has caused some fluctuations in the past four years; please refer to the County's Comprehensive Annual Report and the Management's Discussion and Analysis for more information.



Net Investment in capital assets this portion of net position shows the amount invested in capital assets less accumulated depreciation and outstanding balance of any debt used for the construction or acquisition of the assets.

Restricted net position this portion of net position that have legal restrictions on how these resources may be used.

Unrestricted net position this is the remaining portion of net position that can be used to meet the County's ongoing obligation to various different creditors.

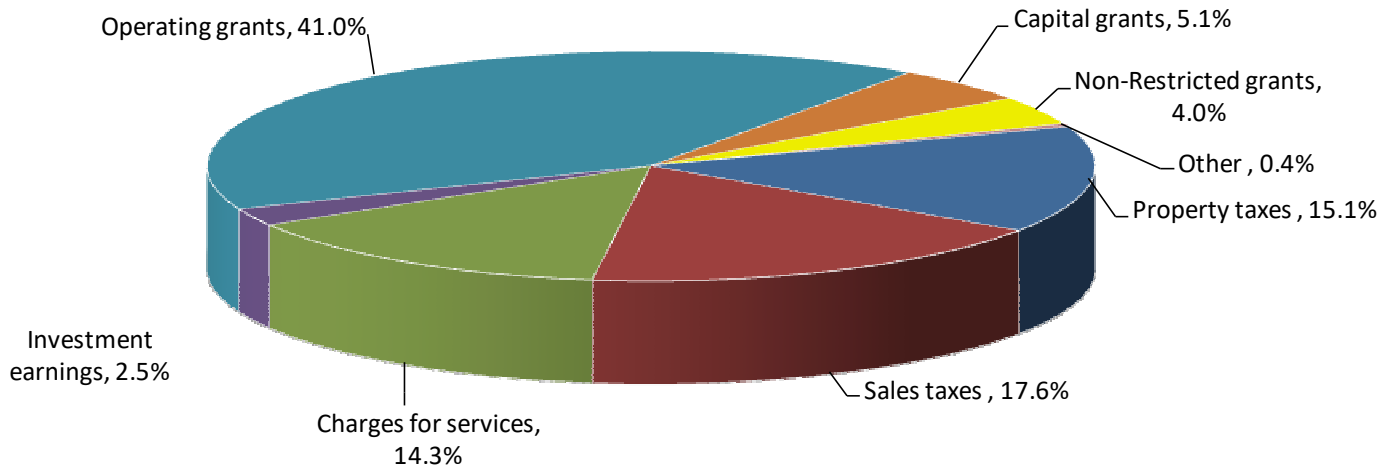
*In 2014 and 2017 the County implemented GASB 68 and GASB 75 respectively. For further explanation of the impact of this implementation please refer to the County's 2020 Comprehensive Annual Financial Report.

Revenues

Revenues are monies the County receives from a variety of sources to pay for the services it provides.

The revenues presented here are reported as governmental activities in the 2020 Comprehensive Annual Financial Report's governmental-wide statement of activities. The table summarizes revenues by source and compares the last three years.

Revenues – Governmental Activities \$122,974,107



Revenues	2020 Actual	2019 Actual	2018 Actual
Property taxes	\$20,627,851	\$17,438,103	\$17,142,335
Sales taxes	21,200,656	20,335,358	19,858,742
Charges for services	15,049,329	16,520,412	16,337,456
Investment earnings	1,886,082	2,842,959	1,088,425
Operating grants	50,922,215	47,430,094	39,082,022
Capital grants	3,238,734	5,898,636	4,470,690
Non-Restricted grants	8,824,464	4,682,584	4,845,231
Other	1,224,776	500,475	500,475
	<u>\$122,974,107</u>	<u>\$115,648,621</u>	<u>\$103,325,376</u>

During 2020, Revenues increased for property and sales taxes and operating grants. The largest increase was in operating grants due to the Coronavirus Aid and Economic Security Act grant monies received.

During 2019, revenues increased for most revenue sources with the largest increases in operating grants and investment earnings. The change in operating grants was due to new grant programs for law enforcement and court related activities.

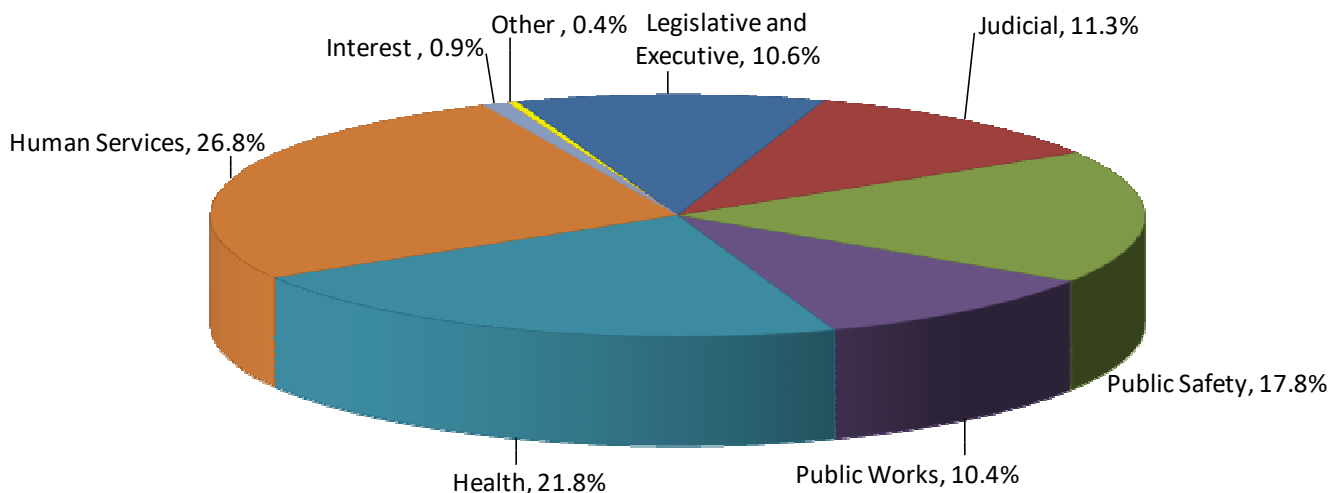
During 2018, revenues decreased slightly with increases in sales tax and investment revenues offset by reductions in operating and non-restricted grants. The change in non-restricted grants is due to a one-time payment from the State of Ohio to all Counties for changes in Medicaid payments received in 2017.

Expenses

Expenses are the amounts the County spent to provide services to citizens.

The expenses presented here are reported as governmental activities in the 2019 CAFR's government-wide statement of activities. The table summarizes revenues by source and compares the last three years.

Expenses – Governmental Activities \$118,729,155



Expenses	2020 Actual	2019 Actual	2018 Actual
Legislative and Executive	\$23,231,015	\$12,601,411	\$15,318,412
Judicial	13,250,597	13,398,682	10,812,720
Public Safety	19,401,407	21,144,766	15,526,860
Public Works	10,840,406	12,399,661	9,685,310
Health	24,907,932	25,878,841	27,020,329
Human Services	26,040,222	31,835,979	27,242,008
Interest	1,070,486	1,014,942	1,096,361
Other	518,569	454,873	358,150
	<u>\$119,260,634</u>	<u>\$118,729,155</u>	<u>\$107,060,150</u>

During 2020, The County's expense increased by \$0.5 million. The largest change was in public safety do to vehicle purchases and other law enforcement related costs.

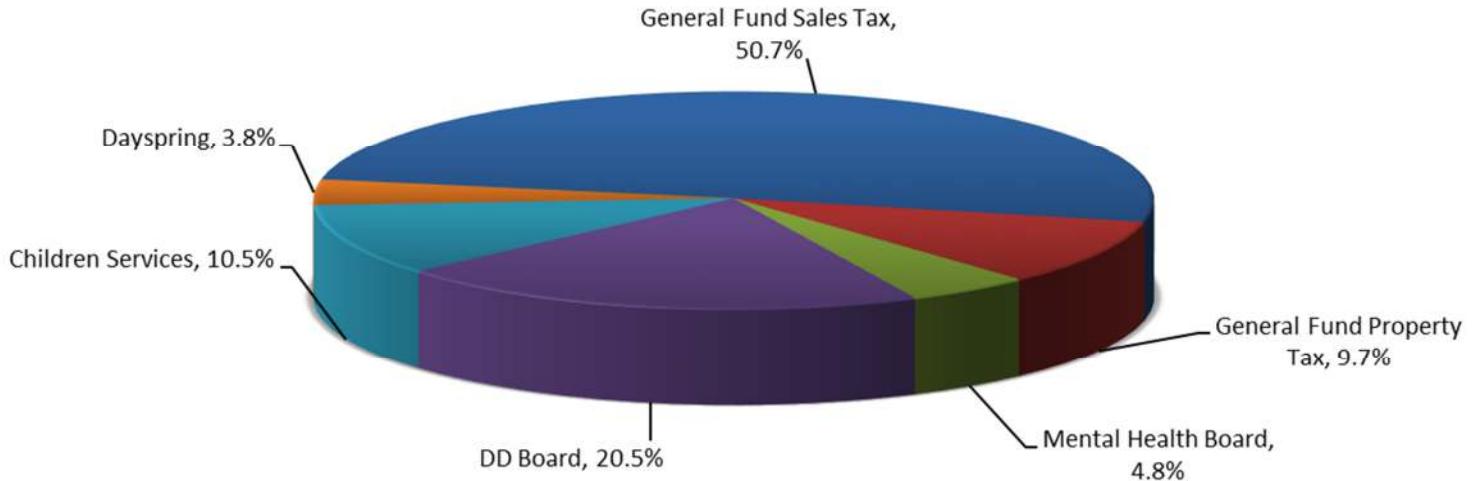
During 2019, The County's expense increased by \$11.7 million. The majority of this change was due to the impact of applying generally accepted accounting principles for pension obligation. The management discussion and analysis provides more explanation of pension liability expenses.

During 2018, The County's expense increased by \$1.7 million. The largest change was in public works related expenses due to more road and bridge projects during the current year.

Taxes

During 2020, the General Fund and County agencies received \$41.8 million in tax revenues. The chart below shows the distribution of property and sales taxes to the various County agencies. Only the General Fund receives sales tax.

Real property, tangible personal property and public utility tax revenues account for \$20.6 million or 20.5% of total revenues for governmental activities.



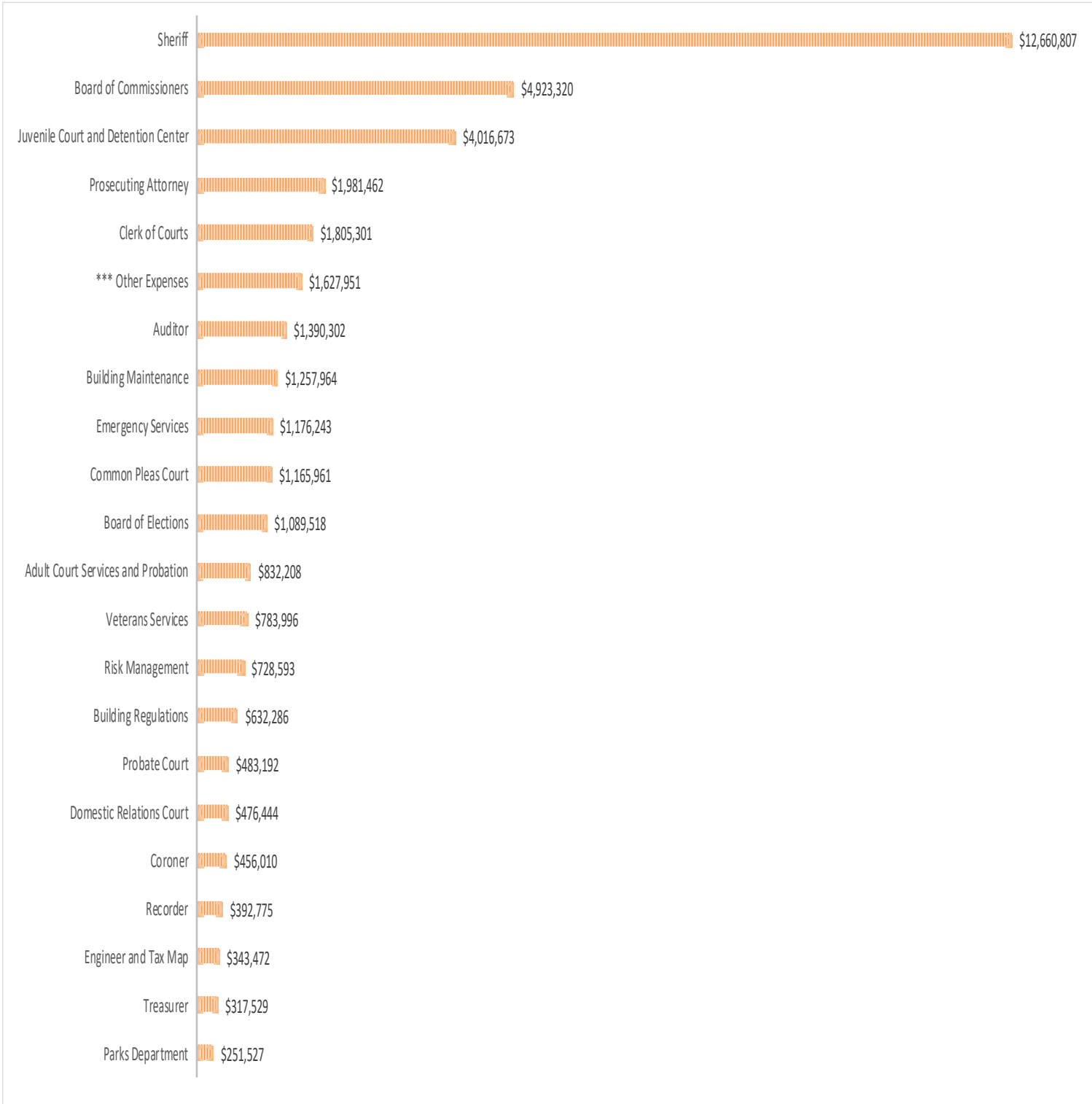
Sales tax revenues account for 21.2 million or 20.5 of total revenues for governmental activities.

Real Estate taxes help finance cities, villages or townships, public libraries, health department, and various County services. Below is an example of how taxes are distributed, if a home or business with an appraised value of \$100,000, is located in the City of Mansfield and Mansfield City School District.

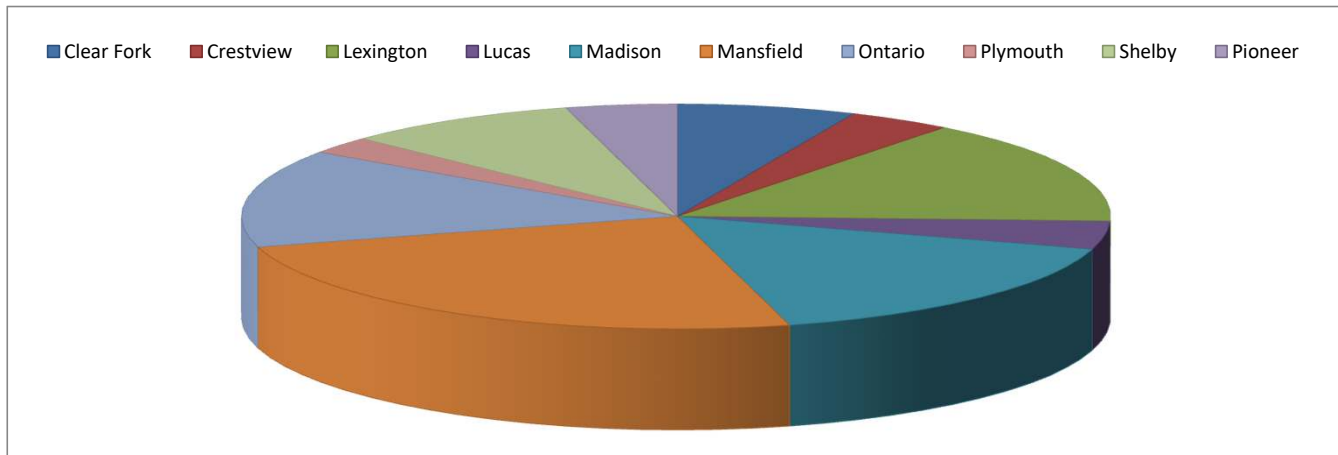
REAL ESTATE TAXES ON A \$100,000 OWNER-OCCUPIED HOME OR A BUSINESS City of Mansfield / Mansfield School District		
TAX RECIPIENT	HOME	BUSINESS
Mansfield City Schools	\$1,455.93	\$2,094.70
City of Mansfield	\$109.31	121.45
County General Fund	\$63.00	70.00
Board of DD	\$94.18	208.73
Children's Services	\$55.56	69.58
Mental Health Board	\$27.58	34.79
Dayspring County Home	\$21.69	27.83
Senior Citizens	\$41.57	52.18
Mansfield / Richland County Library	\$106.03	135.59
Mansfield Ontario Richland Co. Health Dept.	\$38.13	48.67
Mansfield Township	\$4.10	4.55
Total	\$2,017.08	\$2,868.07

General Fund Expenditure Activity

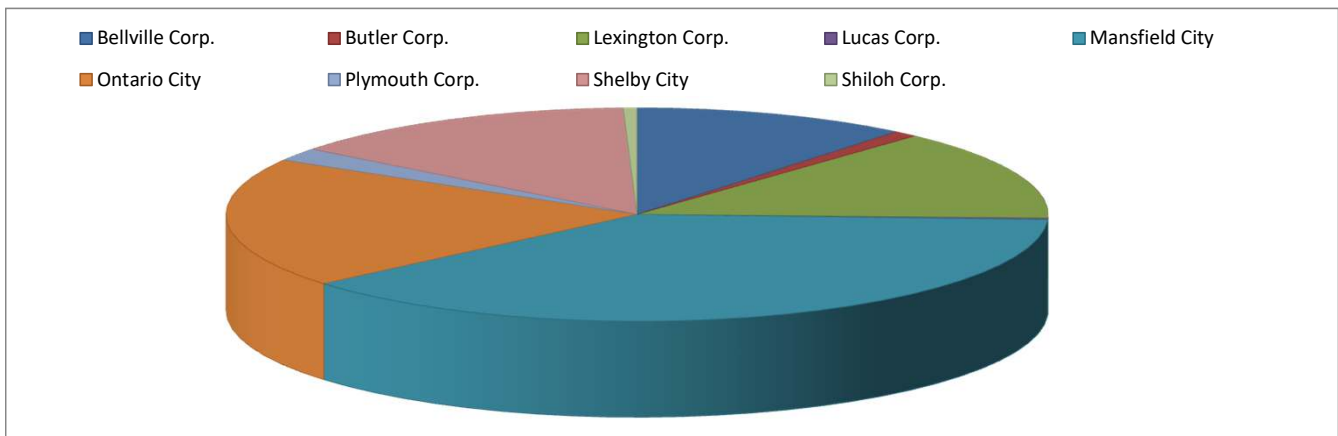
The General Fund is the County's primary operating fund and its resources may be used for any public purpose. The table below displays the General fund expenditures for elected officials, boards and categories on the cash basis. This chart does not include Transfers and Intergovernmental expenditures.



Property Tax Distribution to Schools, Cities and Villages

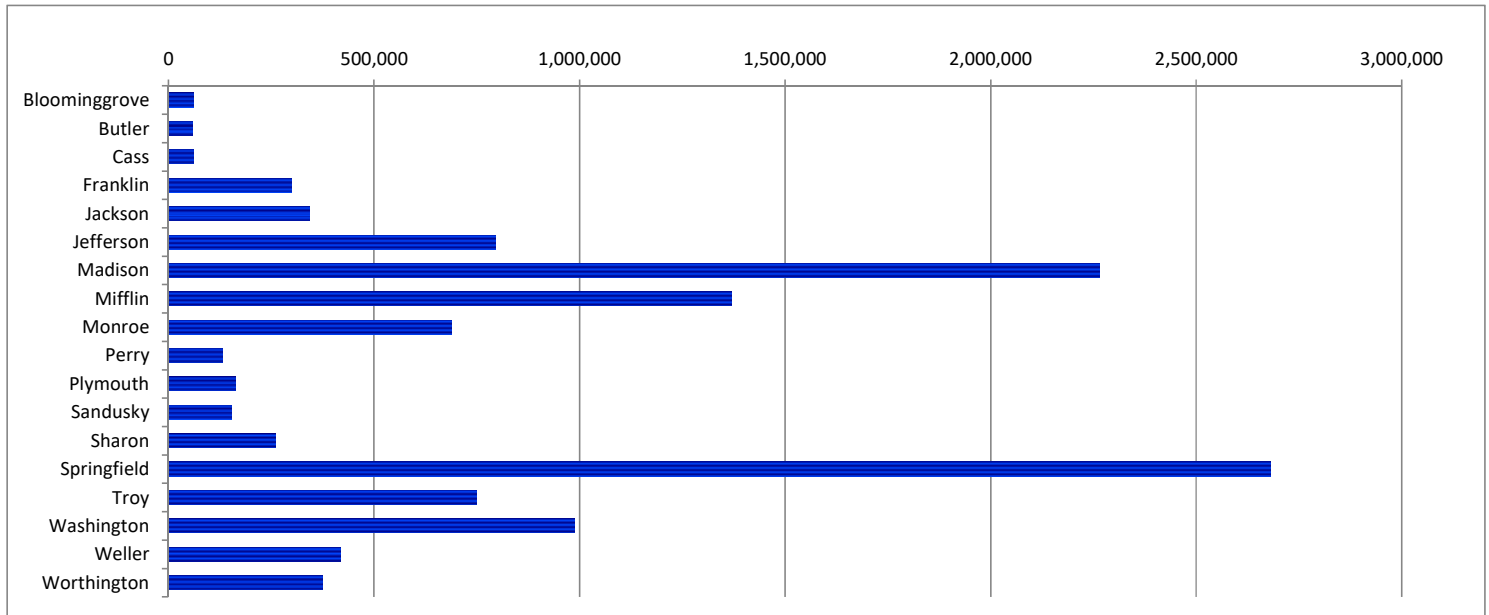


Schools	General Property Tax	Mobile Home Tax	TOTALS
Clear Fork	5,364,127	15,330	5,379,457
Crestview	5,450,058	6,506	5,456,564
Lexington	14,335,295	2,639	14,337,934
Lucas	3,528,326	723	3,529,049
Madison	12,666,472	27,245	12,693,717
Mansfield	19,060,591	15,798	19,076,389
Ontario	11,955,361	8,244	11,963,605
Plymouth	1,767,421	10,360	1,777,781
Shelby	10,003,587	8,023	10,011,610
Pioneer CTC	3,651,100	3,403	3,654,503
			87,880,609



Cities and Villages	General Property Tax	Mobile Home Tax	TOTALS
Bellville Corp.	558,740	79	558,819
Butler Corp.	65,716	150	65,866
Lexington Corp.	638,189	0	638,189
Lucas Corp.	11,560	6	11,566
Mansfield City	1,662,947	1,440	1,664,387
Ontario City	347,811	0	347,811
Plymouth Corp.	91,364	815	92,179
Shelby City	640,142	1,275	641,417
Shiloh Corp.	23,791	184	23,975
			4,044,209

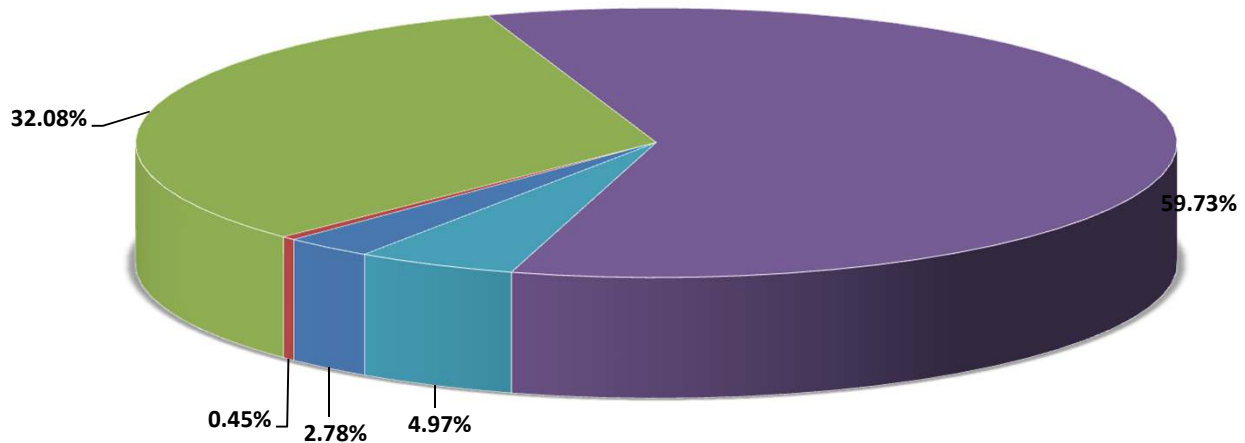
Property Tax Distribution to Townships



Townships	General	Mobile Home	TOTALS
	Property Tax	Tax	
Bloominggrove	61,867	297	62,164
Butler	57,396	695	58,091
Cass	60,418	316	60,734
Franklin	298,452	54	298,506
Jackson	341,954	58	342,012
Jefferson	791,325	3,500	794,825
Madison	2,256,310	8,824	2,265,134
Mifflin	1,369,093	1,577	1,370,670
Monroe	687,763	10	687,773
Perry	130,210	692	130,902
Plymouth	161,669	640	162,309
Sandusky	153,549	9	153,558
Sharon	260,179	56	260,235
Springfield	2,678,820	2,246	2,681,066
Troy	749,176	0	749,176
Washington	986,212	169	986,381
Weller	418,980	0	418,980
Worthington	373,237	1,135	374,372
TOTALS	11,836,610	20,278	11,856,888

Summary of Capital Assets

Capital Assets are defined as Property & Equipment owned by the County and purchased by each department as needed. This summary is the total dollar amount of assets (net of depreciation) held by the county as of December 31, 2020.



- LAND \$2,806,060 - the amount shown is the total amount of land purchased and owned by the County.
- LAND IMPROVEMENTS \$451,137 - represents the amount of money spent on clearing and improving the land so it can be used for its intended use.
- BUILDINGS \$32,370,259 - represents amount of the cost of the buildings purchased or the cost of the building construction.
- INFRASTRUCTURE \$60,276,428 - includes the cost of roads and the county bridges including those on State Routes within the County.
- MACHINERY & EQUIPMENT \$5,015,842 - includes the cost of all machinery, vehicles, office furniture, business machines, etc. that each department maintains and is responsible for.

Balance 01/01/20	104,066,141
Purchased	5,713,527
Disposed	930,511
Depreciation	5,123,371
Balance 12/31/19	<u>103,725,786</u>

Outstanding Debt

At December 31, 2020 had \$22,491,733 in debt related to assets and construction projects with correctional facilities bond for County jail making up over 25% of the County's total debt. Total bonded debt reduced by \$1.3 million during the current year, and County maintains an A2 rating from Moody's Investor Service.

	Balance as of 1/1/2020	Additions	Reductions	Balance as of 12/30/2020
General Obligation Bonds	21,518,561	13,090,000	14,322,940	20,285,621
Special Assessment Bonds	65,000	0	65,000	0
Long-Term Notes Payable	1,081,765	0	1,081,765	0
Loans Payable	561,514	0	58,378	503,136
Capital Leases	1,753,632	0	50,656	1,702,976
Total	24,980,472	13,090,000	15,578,739	22,491,733

Debt Structure

GENERAL OBLIGATION BONDS - are debts that will be repaid from rental charges by County Departments who occupy the facilities and from tax revenues.

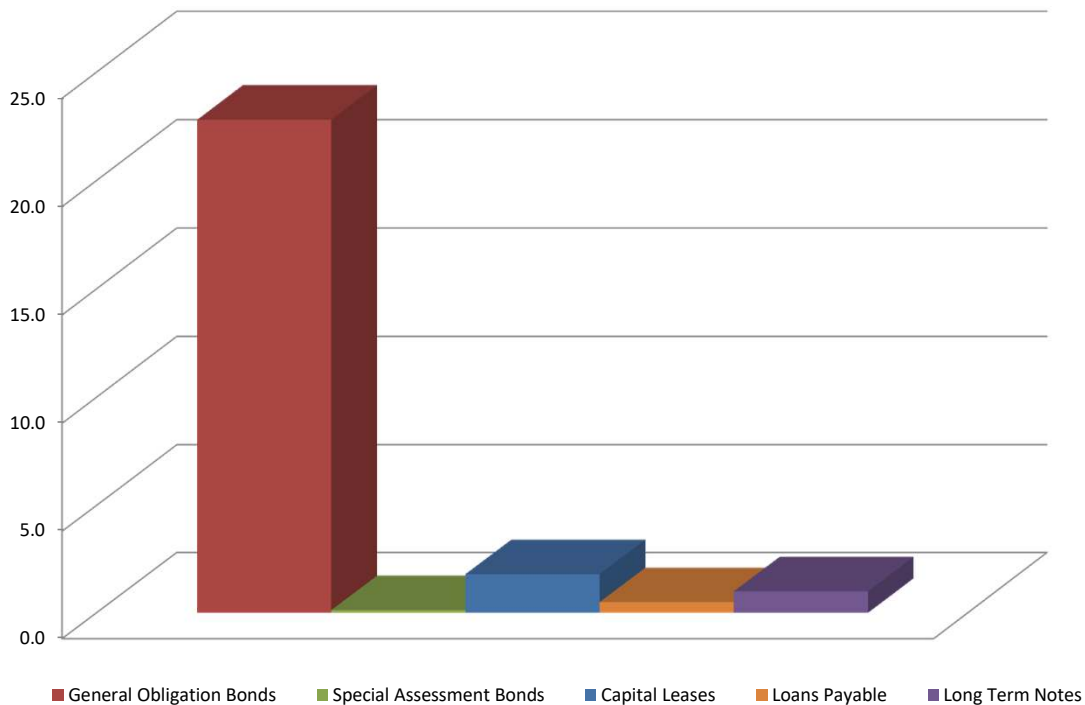
SPECIAL ASSESSMENT BONDS - are debts that will be repaid from the proceeds of special assessments levied against benefited property owners.

LONG-TERM NOTES - these notes are bond anticipation notes that will mature in more than one year.

LOANS PAYABLE - are debt issues related to assets and projects for the County.

CAPITAL LEASES - are leases for capital assets where the County owns the asset at lease end.

Debt by Category (\$ in millions)



Elected Officials	Address	Phone Number (419)
Board of Commissioners Marilyn John Darrell Banks Tony Vero	50 Park Avenue East Mansfield, Ohio 44902	774-5550
Auditor Patrick W. Dropsey	50 Park Avenue East Mansfield, Ohio 44902	774-5501
Treasurer Bart Hamilton	50 Park Avenue East Mansfield, Ohio 44902	774-5622
Recorder Sarah Davis	50 Park Avenue East Mansfield, Ohio 44902	774-5599
Clerk of Courts Linda Frary	50 Park Avenue East Mansfield, Ohio 44902	774-5549
Coroner Daniel Burwell	597 Park Avenue East Mansfield, Ohio 44905	774-5868
Engineer Adam Gove	77 N Mulberry Street Mansfield, Ohio 44902	774-5591
Prosecutor Gary Bishop	38 South Park Street Mansfield, Ohio 44902	774-5676
Sheriff J. Steven Sheldon	597 Park Avenue East Mansfield, Ohio 44905	774-5881
Court of Common Pleas #1 Judge Phillip Naumoff	50 Park Avenue East Mansfield, Ohio 44902	774-5567
Court of Common Pleas #2 Judge Brent Robinson	50 Park Avenue East Mansfield, Ohio 44902	774-5570
Probate Court Judge Philip Alan B. Mayer	50 Park Avenue East Mansfield, Ohio 44902	774-5583
Domestic Relations Court Judge Heather Cockley	50 Park Avenue East Mansfield, Ohio 44902	774-5573
Juvenile Court Judge W. Steve McKinley	411 South Diamond Street Mansfield, Ohio 44902	774-5578

Additional copies of this
report may be obtained by
contacting:

The Richland County Auditor's Office
Attn: Andrew L McGinty
50 Park Avenue East
Mansfield, Ohio 44902
(419) 774-5545

Also available online at
www.richlandcountyauditor.org

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