

COUNTY OF MORROW, OHIO

Annual Financial Information Report

For the Fiscal Year Ended December 31, 2019



This Annual Financial Information Report pertains to the operations of the County of Morrow, Ohio (herein referred to as the "County") for the fiscal year ended December 31, 2019.

This Annual Financial Information Report is intended to satisfy the County's continuing disclosure obligations for providing annual financial information and operating data in compliance with Securities and Exchange Commission Rule 15c2-12. Specifically, the following information is provided in accordance with the Continuing Disclosure Certificates executed in connection with the following issues:

\$2,085,000 Court House Renovation Bonds, Series 2014, dated January 7, 2014. Revised* continuing disclosure obligation end is December 1, 2020.

\$3,240,000 Various Purpose Refunding Bonds, Series 2015, dated January 21, 2015. Continuing disclosure obligation end is December 1, 2033.

* Due to refunding since the stated reporting period of this report

The applicable base CUSIP number is 618899.

Questions regarding information contained in this Annual Financial Information Report should be directed to: Patricia Davies, County Auditor, County of Morrow, 48 East High Street, Room 7, Mount Gilead, Ohio 43338; telephone: (419) 946-4060.

This Annual Financial Information Report is dated September 21, 2020.

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REGARDING THIS ANNUAL FINANCIAL INFORMATION REPORT

This Annual Financial Information Report does not constitute an offering of any security of the County of Morrow, Ohio (herein referred to as the "County").

The information herein is subject to change without notice. The delivery of this Annual Financial Information Report shall not create any implication that there has been no change in the affairs of the County since the date hereof.

While the County or its representatives have reviewed this Annual Financial Information Report for accuracy, no other federal, state, municipal, or other governmental entity, agency, or instrumentality (including, but not limited to, the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB")) has passed, or been asked to pass, upon the accuracy or adequacy of this Annual Financial Information Report and the information contained herein.

This Annual Financial Information Report, which includes Exhibit A, has been prepared by the County, pursuant to Continuing Disclosure Certificates entered into by the County in compliance with SEC Rule 15c-2-12 (the "Rule") for outstanding obligations of the County. Certain information contained herein is not required to be supplied under the Rule, and the County is under no obligation to continue to provide this additional information in the future.

This Annual Financial Information Report is not sufficient to base an investment decision on but should be read in conjunction with the original offering document and all subsequent updates. Other relevant information for fiscal year 2019 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. The inclusion of certain information pertaining to post-fiscal year 2019 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.

All financial and other information presented in this Annual Financial Information Report has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future, and no representation is made as to the materiality or completeness of that information.

Insofar as the statements contained in this Annual Financial Information Report involve matters of opinion, projections or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

Certain information in this Annual Financial Information Report is attributed to the Ohio Municipal Advisory Council ("OMAC"). OMAC compiles information from official and other sources. OMAC believes the information that it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Annual Financial Information Report to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the "Revised Code") or uncodified, or to the provisions of the Ohio Constitution or the County's resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Annual Financial Information Report, "State" or "Ohio" means the State of Ohio; "County" means Morrow County, Ohio; and "County Auditor" means the County Auditor of the County.

Additional information concerning this Annual Financial Information Report, as well as copies of the basic documentation relating to any outstanding obligations of the County, is available from Patricia Davies, County Auditor, County of Morrow, 48 East High Street, Room 7, Mount Gilead, Ohio 43338; telephone: (419) 946-4060.

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COUNTY TAX BASE

Assessed Valuation of the County

Assessed Valuation (2019 Collection Year)

Property Classification	Amount	Percent of Total Assessed Valuation
<i>Real Estate^(a)</i>		
Residential/Agricultural	\$716,746,710	86.84%
Commercial/Industrial/Mineral	\$59,198,170	7.17%
Public Utility Real	\$336,350	0.04%
Total Real Estate Property	\$776,281,230	94.06%
<i>Personal Property</i>		
Public Utility Personal ^(b)	\$49,045,710	5.94%
Total Assessed Valuation	\$825,326,940	100.00%

Historic Growth in Assessed Valuation

Collection Year	Real Property ^(a)	Public Utility Property ^(b)	Total Assessed Valuation	Percentage Change from Prior Year
2014	\$666,319,970	\$24,790,740	\$691,110,710	0.67%
2015 (d)	\$743,435,980	\$26,757,790	\$770,193,770	11.44%
2016	\$747,230,420	\$29,265,830	\$776,496,250	0.82%
2017	\$758,945,430	\$32,737,380	\$791,682,810	1.96%
2018 (c)	\$768,645,410	\$38,177,270	\$806,822,680	1.91%
2019	\$776,281,230	\$49,045,710	\$825,326,940	2.29%

^(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

^(b) Tangible personal property of all public utilities and real property of railroads.

^(c) Reflects sexennial reappraisal for the County.

^(d) Reflects triennial update for the County.

Source: Morrow County Auditor

Assessed Valuation
(2019 Collection Year)

Top Ten Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of County's Total Assessed Valuation
1. Cardington Yutaka Technologies	Industrial	\$4,439,780	0.54%
2. Morrow Meadows Dev Inc	UrgentCare/misc business/farm	2,416,900	0.29%
3. Campground Management	Campground/Trapshoot	1,821,510	0.22%
4. Morrow Care Realty LLC	Nursing Home	1,747,590	0.21%
5. Fishburn Farms Inc	Farm	1,576,320	0.19%
6. Mid Ohio Sports	Race Track	1,560,490	0.19%
7. FFLH LTD	Farm	1,350,290	0.16%
8. Candlewood Lake Assn	Gated Community	1,126,220	0.14%
9. Pilot Travels Center LLC	Truck Plaza	1,112,310	0.13%
10. Lanker Bruce & Kathy	Farm	1,005,460	0.12%

Top Five Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of County's Total Assessed Valuation
1. Firstenergy Service Company	Electric	\$27,699,210	3.36%
2. Consolidated Electric COOP inc.	Electric	8,761,580	1.06%
3. Columbia Gas Transmission	Gas	5,920,480	0.72%
4. Ohio Power Company	Electric	5,482,420	0.66%
5. Columbia Gas of Ohio	Gas	876,430	0.11%

Source: Morrow County Auditor

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Property Tax Rates

The following are the stated rates at which the County levied ad valorem property taxes for the general categories or purposes indicated for tax year 2018 (collection year 2019).

County-Wide Property Tax Levies – Voted and Unvoted (Collection Year 2019)

Purpose / Fund	Millage Rate	Election Year	Beginning Year of Collection	Final Year of Collection
General Fund	3.20	Unvoted (Inside Millage)	N/A	N/A
County Hospital	2.50	2015	2017	2021
Senior Citizens Services	0.50	2016	2018	2022
Health Department	0.50	2013	2015	2024
Ambulance & EMS	2.00	2014	2016	2020
<i>Renewal - Ambulance & EMS</i>	<i>2.00</i>	<i>2019</i>	<i>2021</i>	<i>2025</i>
<i>Additional - Ambulance & EMS</i>	<i>1.00</i>	<i>2019</i>	<i>2021</i>	<i>2025</i>
Roads and Bridges	2.00	2016	2017	2021
M.R.D.D.	3.00	2014	2015	Continuing
Delaware-Morrow Mental Health	1.00	2016	2018	2022
Ohio State Univ. Ext	0.50	2014	2015	2019
<i>Renewal - Ohio State Univ. Ext</i>	<i>0.50</i>	<i>2019</i>	<i>2020</i>	<i>2024</i>

* *Italicized levies have not yet been collected on as of Collection Year 2019*
Source: Morrow County Board of Elections

Ad Valorem Property Tax Collections and Delinquencies

Ad Valorem Property Tax Collections and Delinquencies Real Estate Property and Public Utility Personal Property*

Collection Year	Current Taxes Levied	Current Taxes Collected	% of Current Taxes Collected	Delinquent Taxes Collected	Total Taxes Collected	% of Total Taxes Collected to Current Levy	Unpaid Taxes
2014	\$6,856,182	\$5,707,125	83.24%	\$395,483	\$6,102,608	89.01%	\$1,149,056
2015	8,226,509	7,133,349	86.71	499,294	7,632,643	92.78	1,093,160
2016	8,371,787	7,227,964	86.34	449,355	7,677,319	91.70	1,143,823
2017	10,053,430	8,842,610	87.95	539,326	9,381,936	93.32	1,210,821
2018	10,334,905	9,275,993	89.75	390,472	9,666,466	93.53	1,058,912
2019	10,601,316	9,453,796	89.18	477,387	9,931,183	93.68	1,147,520

* No statistics are provided for tangible personal property taxes because such tax was phased out during the time period reflected in this table, and any collections of such tax during the years reflected in this table were not material in comparison to the County's total ad valorem property tax collections for those years.

Source: Morrow County Auditor

Other Major County General Fund Revenue Sources

General Governmental Revenues by Source*
Fiscal Years 2015-2019
 (Cash Basis)

	2019	2018	2017	2016	2015
Taxes	\$10,557,235	\$9,777,461	\$10,069,026	\$ 9,419,029	\$ 9,277,076
Intergovernmental	\$18,029,793	16,646,245	17,186,302	15,670,866	16,048,075
Charges for Services, Licenses and Permits	\$5,152,861	5,542,008	3,865,729	4,780,968	4,752,845
Interest	\$547,437	251,048	130,419	127,240	118,980
Fines & Forfeitures	\$566,646	735,741	479,989	497,172	316,887
Special Assessments	\$11,137	12,031	4,884	--	--
Contributions	\$76,578	144,284	25,421	--	1,000
Other & Rental	\$875,381	933,086	2,170,711	2,224,809	2,089,738
Total Revenues	\$35,817,068	\$34,041,904	\$34,232,481	\$32,720,084	\$32,604,601

* Note that figures include all primary governmental fund types, including general fund, special revenue fund, bond retirement fund, and capital projects fund.

Source: Morrow County Auditor

Local Government Fund

The Ohio local government fund was created by statute and is comprised of designated State revenues which are distributed to each county and then allocated among each county and local governments located within the counties on the basis of statutory formulas. The County's portions of local government fund receipts in recent years were as follows:

Local Government Fund Revenues

Year	Amount
2014	\$442,500
2015	442,500
2016	442,500
2017	442,500
2018	442,500
2019	442,500

Source: Morrow County Auditor

Sales Tax Revenues

The County's sales tax collections in recent years were as follows:

Sales Tax Revenues		
Year	Rate	Amount
2014	1.50%	\$3,571,794 (restated)
2015	1.50	3,909,215
2016	1.50	3,990,712
2017	1.50	3,925,744 (restated)
2018	1.50	3,821,827
2019	1.50	4,338,298

Source: Morrow County Auditor

COUNTY DEBT AND DEBT LIMITATIONS

County Debt Currently Outstanding

The County has the following issues of bonds outstanding:

Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount as of December 31, 2019
County Services Facility Refunding Bonds, Series 2012	03/13/2012	12/01/2022	1,485,000	465,000
Court House Renovation Bonds, Series 2014	01/07/2014	12/01/2035	2,085,000	1,640,000
Various Purpose Refunding Bonds, Series 2015	01/21/2015	12/01/2033	3,240,000	2,930,000
Total				\$5,035,000

* This table does not include County bond issues or portions thereof that have been refunded but have yet to be paid until they mature or are called for redemption in accordance with provisions of a related escrow agreement.

Source: County of Morrow

General Obligation Debt Outstanding

The following tables list the County's outstanding general obligation debt (before reduction for moneys in the County's bond retirement fund) as of December 31, 2019.

A. Total Debt Outstanding		\$5,035,000
B. Exempt Debt:		
Special Assessment Notes	0	
Special Assessment Bonds	0	
Self-Supporting Enterprise Bonds	0	
Self-Supporting Enterprise Notes	0	
Other Exempt Debt:		
County Svcs Facility Refunding Bonds, Series 2012	\$ 465,000	
Various Purpose Refunding Bonds, Series 2015	<u>1,485,000</u>	
Total Exempt Debt		<u>\$1,950,000</u>
C. Total Non-Exempt Debt (A minus B)		\$3,085,000

Source: County of Morrow

Analysis of Outstanding Non-Exempt Debt

	Unlimited Tax (Voted)	Limited Tax (Unvoted)	Total
Notes	\$0	\$ 0	\$ 0
Bonds	0	3,085,000	3,085,000
Total	\$0	\$3,085,000	\$3,085,000

Source: County of Morrow

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General Obligation Debt Service Requirements

The following table presents the County's debt service requirements for all general obligation debt currently outstanding as of December 31, 2019. This table does not include bond issues or portions thereof that have been refunded but have yet to be paid until they mature or are called for redemption in accordance with provisions of a related escrow agreement.

Year	Principal	Interest	Total Debt Service
2020	\$395,000.00	\$175,831.26	\$570,831.26
2021	405,000.00	167,256.26	572,256.26
2022	420,000.00	157,381.26	577,381.26
2023	275,000.00	145,381.26	420,381.26
2024	285,000.00	136,918.76	421,918.76
2025	285,000.00	127,093.76	412,093.76
2026	295,000.00	117,193.76	412,193.76
2027	305,000.00	106,418.76	411,418.76
2028	320,000.00	95,256.26	415,256.26
2029	330,000.00	83,400.00	413,400.00
2030	345,000.00	71,162.50	416,162.50
2031	355,000.00	57,225.00	412,225.00
2032	370,000.00	42,737.50	412,737.50
2033	385,000.00	27,637.50	412,637.50
2034	130,000.00	11,925.00	141,925.00
2035	135,000.00	6,075.00	141,075.00
Total	\$5,035,000.00	\$1,528,893.75	\$6,563,893.75

Source: County of Morrow

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Overlapping Subdivision Indebtedness

In addition to the County, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. The estimated outstanding bonded indebtedness of such political subdivisions applicable to the County (excluding self-supporting debt and debt payable primarily from enterprise revenues or special assessments) is as follows:

Overlapping Subdivision	Estimated Outstanding Debt	Percent Applicable to the County	Estimated Amount of Overlapping Debt
Bennington Township	\$ 115,467	100.00%	\$ 115,467
Buckeye Valley Local School District	41,090,000	6.25	2,568,125
Cardington-Lincoln Local SD	2,585,000	91.87	2,374,840
Fredericktown Local School District	4,178,561	0.36	15,043
Fulton Village	65,000	100.00	65,000
Galion City School District	11,110,000	2.95	327,745
Highland Local School District	11,985,000	95.02	11,388,147
Lexington Local School District	55,950,000	6.27	3,508,065
Mt. Gilead Exempted Village SD	3,340,000	100.00	3,340,000
Northmor Local School District	10,730,000	96.59	10,364,107
River Valley Local School District	5,280,000	4.29	226,512
Tri-Rivers Career Center	2,443,070	27.39	669,157
Total			\$34,962,208

Source: Ohio Municipal Advisory Council. Data as of January 1, 2020.

Based upon a 2019 U.S. Bureau of the Census estimate of 35,328 people residing in the County, the aforementioned debt of the County, and the above overlapping indebtedness figures, the following results are obtained:

County Debt Per Capita	\$ 143
Overlapping Debt Per Capita	990
Total Debt Per Capita	1,133

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County Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for liability, property, automotive, and crime insurance. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

<u>Coverage</u>	<u>Amount</u>
General Liability (per occurrence)	\$1,000,000
Law Enforcement Liability (per occurrence)	1,000,000
Automobile Liability and Physical Damage Liability (per occurrence)	1,000,000
Medical Payments	
Per Person	5,000
Per Occurrence	50,000
Uninsured/Underinsured Motorists (per person)	250,000
Cyber Security Liability	1,000,000
Physical Damage	Actual Cost
Flood and Earthquake (pool limit)	100,000,000
Property	
Other Property Insurance:	
Extra Expense	1,000,000
Contractors' Equipment	Actual Cash Value
Valuable Papers and Records	1,000,000
Inland Marine	Actual Cash Value
Automatic Acquisition	5,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities (inside and outside)	1,000,000
Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Attorney Disciplinary Proceedings (per occurrence)	25,000
Boiler and Machinery	100,000,000
Public Officials (per occurrence)	1,000,000
Umbrella (per occurrence)	4,000,000
Medical Professional Liability	5,000,000

There has been no significant reduction in insurance coverage from the prior year and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

Source: County of Morrow

EXHIBIT A

**REGARDING AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

At the time of this Annual Report, the State of Ohio Auditor has not yet released the Audited Financials for the County. Audited Financials will be disclosed on EMMA within 10 business days of their release, posted separately from this Annual Report. Additionally, basic financial statements have been provided on the immediately following pages.