OHIO AUDITOR OF STATE
**KEITH FABER**

**WASHINGTON COUNTY**
**DECEMBER 31, 2022**

## TABLE OF CONTENTS

## TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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# INDEPENDENT AUDITOR'S REPORT

Washington County
205 Putnam Street
Marietta, Ohio 45750

To the Board of County Commissioners:

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Ohio (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, Motor Vehicle and Gasoline Tax Fund, Board of Developmental Disabilities Fund, County Home Fund, and American Rescue Plan Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Emphasis of Matter*

As discussed in Note 3 to the financial statements, during 2022, the County restated the Net Position at December 31, 2021 for the Governmental Activities due to the identification of an understatement of non-depreciable capital assets and understated taxes receivable in the prior period. In addition, during 2022, the County restated the Net Position at December 31, 2021 for the Custodial Fund due to the identification of an understatement of taxes receivable and cash and cash equivalents in segregated Accounts. Our opinion is not modified with respect to these matters.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules for Infrastructure Assets Accounted for Using the Modified Approach, and Schedules of Net Pension (Asset) and Other Post-Employment Benefit Liabilities (Assets) and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024

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The discussion and analysis of Washington County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

## Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased $24,493,592. Net position of governmental activities increased $16,142,227 from 2021. Net position of the business-type activity increased $8,351,365 from 2021.

- At the end of the current year, the County reported $2,192,071 in unrestricted net position for governmental activities and $4,340,498 in unrestricted net position for the business-type activities.

- At the end of the current year, the County's governmental funds reported a combined ending fund balance of $64,523,351, an increase of $13,339,323 from the prior year.

## Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds. Non-major funds are presented separately from major funds in total and in one column.

## County-Wide Financial Statements

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

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question.

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

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

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

*Governmental Activities* - Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

*Business-Type Activities* - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Sewer system is reported here.

*Component Units* - The County's financial statements include financial data of the Southeastern Ohio Port Authority (See Note 25). This component unit is described in the notes to the financial statements. Component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or projects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund; the Motor Vehicle and Gasoline Tax, County Home, Board of Developmental Disabilities, and American Rescue Plan Special Revenue Funds; and the County Building Energy Capital Projects Fund.

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

*Proprietary Funds* - The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund operations.

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

*Notes to the Financial Statements* - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

*Other Information* - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information relating to the modified approach to reporting infrastructure.

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## Government-Wide Financial Analysis

Table 1 provides a summary of the County's net position for 2022 compared to 2021:

Table 1
Net Position

| | Governmental Activities | | Business-Type Activity | | Totals | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| **Assets** | | | | | | |
| Current and Other Assets | $88,059,811 | $77,629,441 | $7,255,686 | $1,649,042 | $95,315,497 | $79,278,483 |
| Net Pension Asset | 473,186 | 356,400 | 0 | 0 | 473,186 | 356,400 |
| Net OPEB Asset | 4,376,369 | 2,543,517 | 0 | 0 | 4,376,369 | 2,543,517 |
| Capital Assets, Net | 173,047,363 | 164,743,687 | 14,805,260 | 8,181,975 | 187,852,623 | 172,925,662 |
| *Total Assets* | 265,956,729 | 245,273,045 | 22,060,946 | 9,831,017 | 288,017,675 | 255,104,062 |
| **Deferred Outflows of Resources** | | | | | | |
| Pension | 5,545,645 | 3,555,114 | 0 | 0 | 5,545,645 | 3,555,114 |
| OPEB | 93,119 | 1,379,818 | 0 | 0 | 93,119 | 1,379,818 |
| Asset Retirement Obligations | 0 | 0 | 80,062 | 85,312 | 80,062 | 85,312 |
| *Total Deferred Outflows of Resources* | 5,638,764 | 4,934,932 | 80,062 | 85,312 | 5,718,826 | 5,020,244 |
| **Liabilities** | | | | | | |
| Current and Other Liabilities | 5,121,693 | 8,893,649 | 4,121,800 | 182,356 | 9,243,493 | 9,076,005 |
| Long-Term Liabilities | | | | | | |
| Due Within One Year | 1,114,766 | 386,794 | 100,770 | 98,441 | 1,215,536 | 485,235 |
| Due Within More Than One Year: | | | | | | |
| Net Pension Liability | 12,890,578 | 21,184,999 | 0 | 0 | 12,890,578 | 21,184,999 |
| Other Amounts | 14,776,224 | 1,682,187 | 4,251,090 | 4,319,549 | 19,027,314 | 6,001,736 |
| *Total Liabilities* | 33,903,261 | 32,147,629 | 8,473,660 | 4,600,346 | 42,376,921 | 36,747,975 |
| **Deferred Inflows of Resources** | | | | | | |
| Property Taxes | 14,803,803 | 13,337,838 | 0 | 0 | 14,803,803 | 13,337,838 |
| Pension | 15,097,413 | 9,872,537 | 0 | 0 | 15,097,413 | 9,872,537 |
| OPEB | 4,530,463 | 7,724,668 | 0 | 0 | 4,530,463 | 7,724,668 |
| Leases | 106,510 | 113,489 | 0 | 0 | 106,510 | 113,489 |
| *Total Deferred Inflows of Resources* | 34,538,189 | 31,048,532 | 0 | 0 | 34,538,189 | 31,048,532 |
| **Net Position** | | | | | | |
| Net Investment in Capital Assets | 167,337,918 | 162,745,116 | 9,326,850 | 3,872,614 | 176,664,768 | 166,617,730 |
| Restricted | 33,624,054 | 33,462,517 | 0 | 0 | 33,624,054 | 33,462,517 |
| Unrestricted (Deficits) | 2,192,071 | (9,195,817) | 4,340,498 | 1,443,369 | 6,532,569 | (7,752,448) |
| *Total Net Position* | $203,154,043 | $187,011,816 | $13,667,348 | $5,315,983 | $216,821,391 | $192,327,799 |

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As mentioned previously, net position increased $24,493,592. Overall total assets increased $32,913,613. In the governmental activities, net capital assets increased $8,303,676 from the prior year primarily due to construction in progress. Intergovernmental receivable, prepaid items, and payments in lieu of taxes receivable had decreases of $1,041,210, $24,450, and $1,487, respectively. Cash and Cash Equivalents increased $15,420,788 from 2021, primarily due to increases in property taxes, materials and supplies, and sales taxes. In 2022, the County recorded a net pension asset and a net OPEB asset in the amounts of $473,186 and $4,376,369, respectively. Decreases were recorded in intergovernmental receivables and special assessments receivable in the amounts of $1,041,210 and $3,318, respectively. Deferred outflows of resources related to pension and OPEB increased $703,832. This increase in deferred outflows of resources is largely due to the reported pension amount pursuant to GASB Statement 68.

Continuing with Governmental Activities, contracts payable, leave benefits payable, accrued wages payable, matured compensated absences payable, and accounts payable increased $577,409, $2,016, $44,110, $8,331, and $57,379, respectively. Intergovernmental payable, retainage payable, and accrued interest payable decreased $568,670, $2,567 and $7, respectively. Unearned revenue decreased $3,889,957 primarily due to COVID-19 relief money that had been spent by the end of the year. The net pension liability decreased by $8,294,421. The net pension liabilities represent the County's proportionate share of the OPERS traditional and combined plans' unfunded benefits. As indicated above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension and OPEB liabilities/assets.

The business-type activity had an increase in total assets of $12,229,929. Cash increased $7,423,284. Capital assets increased by $6,623,285 due to construction in progress on multiple sewer projects. Accounts receivable increased by $80,255. The business-type activity also had an increase in total liabilities of $3,873,314.

Table 2 shows the changes in net position for 2022 compared to 2021:

Table 2
Changes in Net Position

| | Governmental Activities | | Business-Type Activity | | Total | |
|---|---|---|---|---|---|---|
| **Revenues** | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Program Revenues: | | | | | | |
| Charges for Services | $8,334,799 | $9,325,955 | $1,285,587 | $1,170,796 | $9,620,386 | $10,496,751 |
| Operating Grants, Contributions, and Interest | 44,669,052 | 29,258,209 | 1,255,044 | 406,410 | 45,924,096 | 29,664,619 |
| Capital Grants, Contributions, and Interest | 3,143,624 | 3,181,731 | 4,608,369 | 0 | 7,751,993 | 3,181,731 |
| *Total Program Revenues* | 56,147,475 | 41,765,895 | 7,149,000 | 1,577,206 | 63,296,475 | 43,343,101 |
| General Revenues: | | | | | | |
| Property Taxes | 13,508,831 | 12,719,438 | 0 | 0 | 13,508,831 | 12,719,438 |
| Payments in Lieu of Taxes | 24,254 | 25,339 | 0 | 0 | 24,254 | 25,339 |
| Permissive Sales Taxes | 16,036,604 | 14,242,952 | 0 | 0 | 16,036,604 | 14,242,952 |
| Lodging Taxes | 67,564 | 43,327 | 0 | 0 | 67,564 | 43,327 |
| Intergovernmental | 2,176,121 | 2,103,949 | 0 | 0 | 2,176,121 | 2,103,949 |
| Investment Earnings and Other Interest | (629,511) | 244,859 | 0 | 0 | (629,511) | 244,859 |
| Gain on Sale of Assets | 18,147 | 0 | 0 | 0 | 18,147 | 0 |
| Miscellaneous | 2,452,259 | 1,833,914 | 0 | 877 | 2,452,259 | 1,834,791 |
| *Total General Revenues* | 33,654,269 | 31,213,778 | 0 | 877 | 33,654,269 | 31,214,655 |
| Transfers | (3,342,717) | (1,262,235) | 3,342,717 | 1,262,235 | 0 | 0 |
| *Total Revenues and Transfers* | 86,459,027 | 71,717,438 | 10,491,717 | 2,840,318 | 96,950,744 | 74,557,756 |
| **Expenses** | | | | | | |
| General Government: | | | | | | |
| Legislative and Executive | 8,615,863 | 5,140,547 | 0 | 0 | 8,615,863 | 5,140,547 |
| Judicial | 2,635,487 | 1,563,462 | 0 | 0 | 2,635,487 | 1,563,462 |
| Public Safety | 15,702,141 | 8,853,898 | 0 | 0 | 15,702,141 | 8,853,898 |
| Public Works | 10,250,134 | 6,674,890 | 0 | 0 | 10,250,134 | 6,674,890 |
| Health: | | | | | | |
| Alcohol, Drug, and Mental Health | 2,638,688 | 1,720,581 | 0 | 0 | 2,638,688 | 1,720,581 |
| Board of Developmental Disabilities | 5,451,209 | 4,556,340 | 0 | 0 | 5,451,209 | 4,556,340 |
| County Home | 2,898,101 | 1,812,865 | 0 | 0 | 2,898,101 | 1,812,865 |
| Other Health | 37,668 | 29,187 | 0 | 0 | 37,668 | 29,187 |
| Human Services: | | | | | | |
| Child Support Enforcement | 681,109 | 498,741 | 0 | 0 | 681,109 | 498,741 |
| Children Services | 5,926,388 | 4,771,491 | 0 | 0 | 5,926,388 | 4,771,491 |
| Job and Family Services | 6,979,372 | 5,126,935 | 0 | 0 | 6,979,372 | 5,126,935 |
| Senior Services | 71,341 | 1,257,925 | 0 | 0 | 71,341 | 1,257,925 |
| Other Human Services | 1,957,303 | 521,990 | 0 | 0 | 1,957,303 | 521,990 |
| Economic Development and Assistance | 5,103,472 | 1,097,598 | 0 | 0 | 5,103,472 | 1,097,598 |
| Intergovernmental | 1,121,027 | 681,315 | 0 | 0 | 1,121,027 | 681,315 |
| Interest | 247,497 | 39,904 | 0 | 64,445 | 247,497 | 104,349 |
| Sewer | 0 | 0 | 2,140,352 | 1,380,762 | 2,140,352 | 1,380,762 |
| *Total Expenses* | 70,316,800 | 44,347,669 | 2,140,352 | 1,445,207 | 72,457,152 | 45,792,876 |
| *Change in Net Position* | 16,142,227 | 27,369,769 | 8,351,365 | 1,395,111 | 24,493,592 | 28,764,880 |
| *Net Position Beginning of Year* | 187,011,816 | 159,642,047 | 5,315,983 | 3,920,872 | 192,327,799 | 163,562,919 |
| *Net Position End of Year* | $203,154,043 | $187,011,816 | $13,667,348 | $5,315,983 | $216,821,391 | $192,327,799 |

## Governmental Activities

The operating grants, contributions, and interest category of program revenues were the largest program revenues, accounting for $44,669,052 or 79.56 percent of total governmental activities program revenues. The major recipients of intergovernmental program revenues were the Job and Family Services, Mental Health, Engineer's office, Road Projects, Board of Developmental Disabilities, Child Support Enforcement Agency, and Children Services governmental activities. This category of program revenues consists of grants, entitlements, interest earned on restricted monies, motor vehicle license taxes, and gasoline excise taxes.

Property tax revenues account for $13,508,831 or 40.14 percent of total governmental general revenues. Another major component of governmental activities revenues was permissive sales taxes, which accounted for $16,036,604 or 47.65 percent of total governmental general revenues.

The County's direct charges to users of governmental services made up $8,334,799 or 14.84 percent of total governmental activities program revenues. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Health programs accounted for $11,025,666, or 15.68 percent of total expenses for governmental activities. These activities are paid primarily through property taxes and program revenues.

Other major program expenses for governmental activities include human service programs, which accounted for $15,615,513, or 22.21 percent of total expenses. Human services expenses are primarily for Job and Family Services, Child Support Enforcement, Children's Services, and Senior Services activities. These activities are mostly funded through program revenues, with a property tax levy for Senior Services and Children's Services.

Public works expenditures accounted for $10,250,134 or 14.58 percent of total expenses. These activities are paid primarily with program revenues. The funding from other governmental granting agencies was used for numerous road and bridge projects throughout the County.

Public safety program expenses accounted for $15,702,141 or 22.33 percent of total expenses. These activities are funded primarily through property and sales taxes.

Legislative and executive program expenses accounted for $8,615,863, or 12.25 percent. These activities are the general operating and administrative functions of the County.

## Business-Type Activity

The net position for business-type activities increased $8,351,365 during 2022. Charges for Services accounted for $1,285,587 or 17.98 percent of revenues while Capital Grants, Contributions, and Interest accounted for $4,608,369 or 64.46 percent of revenues. This increased from 2021 due to a sewer project. Sewer enterprise expenses increased $695,145 from 2021.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

| | Total Cost of Services 2022 | Net Cost of Services 2022 | Total Cost of Services 2021 | Net Cost of Services 2021 |
|---|---|---|---|---|
| General Government: | | | | |
| Legislative and Executive | $8,615,863 | $2,680,444 | $5,140,547 | ($1,032,754) |
| Judicial | 2,635,487 | (3,082,921) | 1,563,462 | (602,014) |
| Public Safety | 15,702,141 | 5,194,742 | 8,853,898 | 5,349,364 |
| Public Works | 10,250,134 | (505,091) | 6,674,890 | (4,985,001) |
| Health: | | | | |
| Alcohol, Drug, and Mental Health | 2,638,688 | 1,264,915 | 1,720,581 | (599,599) |
| Board of Developmental Disabilities | 5,451,209 | 3,057,422 | 4,556,340 | 2,105,895 |
| County Home | 2,898,101 | 2,031,414 | 1,812,865 | 850,789 |
| Other Health | 37,668 | (143,680) | 29,187 | (157,637) |
| Human Services: | | | | |
| Child Support Enforcement | 681,109 | (89,560) | 498,741 | (637,953) |
| Children Services | 5,926,388 | 2,710,581 | 4,771,491 | 2,386,745 |
| Job and Family Services | 6,979,372 | (1,893,121) | 5,126,935 | (2,417,326) |
| Senior Services | 71,341 | (218,503) | 1,257,925 | 1,095,374 |
| Other Human Services | 1,957,303 | 1,944,899 | 521,990 | 509,800 |
| Economic Development and Assistance | 5,103,472 | 511,472 | 1,097,598 | 611,666 |
| Intergovernmental | 1,121,027 | 458,815 | 681,315 | 64,521 |
| Interest | 247,497 | 247,497 | 39,904 | 39,904 |
| Total Expenses | $70,316,800 | $14,169,325 | $44,347,669 | $2,581,774 |

Charges for services, operating grants, and capital grants of $56,147,475 or 79.8 percent of the total costs of services, are received and used to fund governmental activities' program expenses of the County. This large fluctuation in Net Cost of Services from 2021 to 2022 is due to changes in net pension/OPEB assets and liabilities. Remaining governmental activities expenses are funded by property taxes, permissive sales taxes, unrestricted intergovernmental revenues, interest, and miscellaneous revenues.

The $6,210,071 in net cost of services for health expenses demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for programs including the Board of Developmental Disabilities and the County Home.

The $2,454,296 in net cost of services for human services expenses demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levies programs including Children Services and Senior Services.

The $5,194,742 in net cost of services for public safety expenses demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the 911 system.

**Financial Analysis of County Funds**

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

*Governmental Funds* - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2022, the County's governmental funds reported a combined ending fund balance of $64,523,351, an increase of $13,339,323 in comparison with the prior year. Of that total ending fund balance, $1,768,331 is nonspendable, $38,601,636 is restricted, $195,975 is committed, $7,212,004 is assigned, and $16,745,405 is unassigned, as defined in GASB Statement No. 54.

The General Fund is the primary operating fund of the County. At the end of 2022, the unassigned fund balance was $16,973,972, while total fund balance was $25,315,257. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 66.65 percent to total General Fund expenditures, while total fund balance represents 99.39 percent of that same amount. The County's General Fund balance increased $3,053,821 during 2022.

The fund balance of the Motor Vehicle and Gasoline Tax Special Revenue Fund decreased $460,632 during 2022, due primarily to a decrease in intergovernmental revenues as well as increases in expenditures.

The fund balance of the Board of Developmental Disabilities Special Revenue Fund increased $463,054 during 2022, due primarily to increase in revenues.

The fund balance of the County Home Special Revenue Fund decreased $773,788 during 2022, primarily due to increases in expenditures.

The fund balance of the American Rescue Plan Special Revenue Fund was $0 at December 31, 2022.

As of December 31, 2021, net position for the County's enterprise fund was $13,667,348. Of that total, $4,340,498 represents unrestricted net position.

## Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of County Commissioners adopts a permanent annual operating budget for the County on or about January 1.

For the General Fund, actual revenue was $36,640,420, above final estimates by $2,569,371. Final estimated revenues were above original estimates of $24,395,900, primarily due to an increase of $440,000 in sales tax revenue and an increase of $8,678,477 in intergovernmental revenue. Actual expenditures for the year were $27,217,733, under final appropriations of $33,158,655. All expenditure programs spent less than their budget in 2022. The original appropriations were increased $6,919,273; all programs except Human Services and Health were increased from original to final.

## Capital Assets and Debt Administration

*Capital Assets* - The County's capital assets for governmental and business-type activities as of December 31, 2022, were $187,852,623 (net of accumulated depreciation). This includes land and land improvements, construction in progress, buildings and improvements, machinery and equipment, furniture and fixtures, infrastructure, and vehicles.

For governmental activities, the most significant capital asset additions during 2022 included the purchase of equipment and infrastructure for the Engineer's office. Several vehicles were bought for the Sheriff's office. The construction in progress increased in 2022 due to the construction of County buildings.

The County uses the modified approach to present county roads and bridges (infrastructure). Disclosures about the condition assessments and maintenance costs regarding the County's infrastructure can be found in the Required Supplementary Information.

Note 9 (Capital Assets) provides capital asset activity during 2022.

*Debt Administration* - As of December 31, 2022, the County had total governmental bonded debt outstanding of $14,573,072. All of this debt will be repaid through governmental activities. The County's long-term general obligation bonded debt decreased $556,367 during 2022. Other governmental outstanding long-term debt consists of leases of $45,939 and OPWC loans of $877,332. The business-type activity had outstanding debt consisting of FHA Bonds of $546,000, OPWC loans of $408,130, and OWDA Loans of $3,186,726.

In addition, the County's long-term obligations include compensated absences for sick leave benefits and net pension liability. Additional information on the County's long-term obligations can be found in Note 14 of this report.

## Economic Factors

The County's $1.960 billion tax base is stable and slightly up from the $1.697 billion value from the prior year. Valuations increased in the aggregate for the year and are at an all-time high.

The County's permissive sales tax revenues in governmental activities increased from 2021 to 2022 with an increase of 0.3% on a cash basis, exceeding estimates. The cause of the better than anticipated revenues is unknown as the increases were spread across various classifications of revenues. However, based on the current situation with the COVID-19 pandemic (See Note 24), it is uncertain what sales tax revenues will be in the near future.

Various economic factors were considered in the preparation of the County's 2022 budget. Appropriate measures will continue to be taken to ensure spending is within available resources.

## Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Matthew Livengood, Washington County Auditor, 205 Putnam Street, Marietta, Ohio 45750.

**Washington County, Ohio**
*Statement of Net Position*
*December 31, 2022*

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activity | Total | Southeastern Ohio Port Authority |
| **Assets** | | | | |
| Equity in Pooled Cash and Cash Equivalents | $59,789,414 | $8,842,228 | $68,631,642 | $0 |
| Cash and Cash Equivalents | 0 | 0 | 0 | 367,647 |
| Cash and Cash Equivalents in Segregated Accounts | 469,293 | 0 | 469,293 | 0 |
| Sales Taxes Receivable | 2,704,050 | 0 | 2,704,050 | 0 |
| Accounts Receivable | 31,328 | 258,021 | 289,349 | 34,125 |
| Payments in Lieu of Taxes Receivable | 22,032 | 0 | 22,032 | 0 |
| Permissive Motor Vehicle License Tax Receivable | 70,920 | 0 | 70,920 | 0 |
| Intergovernmental Receivable | 5,684,255 | 0 | 5,684,255 | 0 |
| Internal Balances | 1,900,000 | (1,900,000) | 0 | 0 |
| Prepaid Items | 580,495 | 1,202 | 581,697 | 3,761 |
| Special Assessments Receivable | 0 | 49,007 | 49,007 | 0 |
| Property Taxes Receivable | 16,043,143 | 0 | 16,043,143 | 0 |
| Materials and Supplies Inventory | 658,371 | 5,228 | 663,599 | 0 |
| Leases Receivable | 106,510 | 0 | 106,510 | 0 |
| Non-Depreciable Capital Assets | 159,236,860 | 9,682,608 | 168,919,468 | 965,952 |
| Depreciable Capital Assets, Net | 13,810,503 | 5,122,652 | 18,933,155 | 6,000 |
| Net Pension Asset | 473,186 | 0 | 473,186 | 0 |
| Net OPEB Asset | 4,376,369 | 0 | 4,376,369 | 25,496 |
| *Total Assets* | 265,956,729 | 22,060,946 | 288,017,675 | 1,402,981 |
| **Deferred Outflows of Resources** | | | | |
| Pension | 5,545,645 | 0 | 5,545,645 | 37,676 |
| OPEB | 93,119 | 0 | 93,119 | 3,449 |
| Asset Retirement Obligations | 0 | 80,062 | 80,062 | 0 |
| *Total Deferred Outflows of Resources* | 5,638,764 | 80,062 | 5,718,826 | 41,125 |
| **Liabilities** | | | | |
| Accounts Payable | 1,010,586 | 202,412 | 1,212,998 | 1,174 |
| Contracts Payable | 879,997 | 3,229,323 | 4,109,320 | 0 |
| Accrued Wages Payable | 471,770 | 4,113 | 475,883 | 0 |
| Retainage Payable | 0 | 644,260 | 644,260 | 0 |
| Matured Compensated Absences Payable | 11,898 | 0 | 11,898 | 0 |
| Accrued Payroll and Taxes | 0 | 0 | 0 | 4,133 |
| Leave Benefits Payable | 1,741,651 | 11,201 | 1,752,852 | 25,528 |
| Intergovernmental Payable | 519,111 | 26,396 | 545,507 | 14,870 |
| Accrued Interest Payable | 3,098 | 4,095 | 7,193 | 1,625 |
| Unearned Revenue | 483,582 | 0 | 483,582 | 0 |
| Long-Term Liabilities: | | | | |
| Due Within One Year | 1,114,766 | 100,770 | 1,215,536 | 0 |
| Due In More Than One Year: | | | | |
| Net Pension Liability | 12,890,578 | 0 | 12,890,578 | 27,406 |
| Net OPEB Liability | 0 | 0 | 0 | 0 |
| Other Amounts Due In More Than One Year | 14,776,224 | 4,251,090 | 19,027,314 | 2,419 |
| *Total Liabilities* | 33,903,261 | 8,473,660 | 42,376,921 | 77,155 |
| **Deferred Inflows of Resources** | | | | |
| Property Taxes | 14,803,803 | 0 | 14,803,803 | 0 |
| Pension | 15,097,413 | 0 | 15,097,413 | 45,254 |
| OPEB | 4,530,463 | 0 | 4,530,463 | 28,207 |
| Leases | 106,510 | 0 | 106,510 | 177,778 |
| *Total Deferred Inflows of Resources* | $34,538,189 | $0 | $34,538,189 | $251,239 |

(continued)

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Net Position (Continued)*
*December 31, 2022*

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activity | Total | Southeastern Ohio Port Authority |
| **Net Position** | | | | |
| Net Investment in Capital Assets | $167,337,918 | $9,326,850 | $176,664,768 | $971,952 |
| Restricted for: | | | | |
| Capital Improvements | 1,860,565 | 0 | 1,860,565 | 0 |
| Debt Service | 816,671 | 0 | 816,671 | 0 |
| Road and Bridge Maintenance | 8,618,508 | 0 | 8,618,508 | 0 |
| Mental Health Operations | 3,208,837 | 0 | 3,208,837 | 0 |
| County Home Operations | 3,105,781 | 0 | 3,105,781 | 0 |
| Developmental Disabilities | 7,323,782 | 0 | 7,323,782 | 0 |
| Real Estate Assessments | 2,390,226 | 0 | 2,390,226 | 0 |
| Child Support Services | 1,290,530 | 0 | 1,290,530 | 0 |
| Children Services | 35,030 | 0 | 35,030 | 0 |
| Urban Transportation | 199,291 | 0 | 199,291 | 0 |
| Board of Elections | 1,294 | 0 | 1,294 | 0 |
| Disaster Services | 127,036 | 0 | 127,036 | 0 |
| Dog and Kennel | 188,084 | 0 | 188,084 | 0 |
| Marriage Licenses | 7,227 | 0 | 7,227 | 0 |
| Court and Corrections | 1,414,921 | 0 | 1,414,921 | 0 |
| Sheriff Operations | 653,270 | 0 | 653,270 | 0 |
| 911 Operations | 923,812 | 0 | 923,812 | 0 |
| Economic Development | 75,176 | 0 | 75,176 | 0 |
| Senior Services | 369,676 | 0 | 369,676 | 0 |
| Unclaimed Monies | 529,465 | 0 | 529,465 | 0 |
| Pension and OPEB Plans | 456,079 | 0 | 456,079 | 0 |
| Other Purposes | 28,793 | 0 | 28,793 | 0 |
| Unrestricted | 2,192,071 | 4,340,498 | 6,532,569 | 143,760 |
| *Total Net Position* | $203,154,043 | $13,667,348 | $216,821,391 | $1,115,712 |

See accompanying notes to the basic financial statements

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**Washington County, Ohio**
*Statement of Activities*
*For the Year Ended December 31, 2022*

| | Expenses | Program Revenues: Charges for Services and Sales | Program Revenues: Operating Grants, Contributions and Interest | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| General Government: | | | | |
| Legislative and Executive | $8,615,863 | $3,440,320 | $2,495,099 | $0 |
| Judicial | 2,635,487 | 1,220,602 | 4,497,806 | 0 |
| Public Safety | 15,702,141 | 2,181,348 | 8,326,051 | 0 |
| Public Works | 10,250,134 | 152,989 | 7,458,612 | 3,143,624 |
| Health: | | | | |
| Alcohol, Drug, and Mental Health | 2,638,688 | 0 | 1,373,773 | 0 |
| Board of Developmental Disabilities | 5,451,209 | 238,727 | 2,155,060 | 0 |
| County Home | 2,898,101 | 682,665 | 184,022 | 0 |
| Other Health | 37,668 | 181,348 | 0 | 0 |
| Human Services: | | | | |
| Child Support Enforcement | 681,109 | 30,277 | 740,392 | 0 |
| Children Services | 5,926,388 | 1,890 | 3,213,917 | 0 |
| Job and Family Services | 6,979,372 | 84,692 | 8,787,801 | 0 |
| Senior Services | 71,341 | 107,537 | 182,307 | 0 |
| Other Human Services | 1,957,303 | 12,404 | 0 | 0 |
| Economic Development and Assistance | 5,103,472 | 0 | 4,592,000 | 0 |
| Intergovernmental | 1,121,027 | 0 | 662,212 | 0 |
| Interest | 247,497 | 0 | 0 | 0 |
| *Total Governmental Activities* | 70,316,800 | 8,334,799 | 44,669,052 | 3,143,624 |
| **Business-Type Activity** | | | | |
| Sewer | 2,140,352 | 1,285,587 | 1,255,044 | 4,608,369 |
| *Total Primary Government* | $72,457,152 | $9,620,386 | $45,924,096 | $7,751,993 |
| **Component Units** | | | | |
| Southeastern Ohio Port Authority | $195,420 | $65,257 | $183,286 | $0 |

**General Revenues**
Property Taxes Levied for:
General Purposes
Board of Developmental Disabilities
Mental Health
County Home
Children Services
Senior Services
Bond Retirement
911
Sales Taxes Levied for General Purposes
Lodging Taxes
Grants and Entitlements not Restricted to Specific Programs
Gain on Sale of Capital Assets
Payments in Lieu of Taxes
Investment Earnings and Other Interest
Interest
Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position Beginning of Year - Restated (See Note 3)*

*Net Position End of Year*

See accompanying notes to the basic financial statements

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-Type Activity | Total | Southeastern Ohio Port Authority |
| ($2,680,444) | $0 | ($2,680,444) | $0 |
| 3,082,921 | 0 | 3,082,921 | 0 |
| (5,194,742) | 0 | (5,194,742) | 0 |
| 505,091 | 0 | 505,091 | 0 |
| (1,264,915) | 0 | (1,264,915) | 0 |
| (3,057,422) | 0 | (3,057,422) | 0 |
| (2,031,414) | 0 | (2,031,414) | 0 |
| 143,680 | 0 | 143,680 | 0 |
| 89,560 | 0 | 89,560 | 0 |
| (2,710,581) | 0 | (2,710,581) | 0 |
| 1,893,121 | 0 | 1,893,121 | 0 |
| 218,503 | 0 | 218,503 | 0 |
| (1,944,899) | 0 | (1,944,899) | 0 |
| (511,472) | 0 | (511,472) | 0 |
| (458,815) | 0 | (458,815) | 0 |
| (247,497) | 0 | (247,497) | 0 |
| (14,169,325) | 0 | (14,169,325) | 0 |
| 0 | 5,008,648 | 5,008,648 | 0 |
| (14,169,325) | 5,008,648 | (9,160,677) | 0 |
| 0 | 0 | 0 | 53,123 |
| 3,944,089 | 0 | 3,944,089 | 0 |
| 4,061,242 | 0 | 4,061,242 | 0 |
| 808,532 | 0 | 808,532 | 0 |
| 1,947,448 | 0 | 1,947,448 | 0 |
| 870,128 | 0 | 870,128 | 0 |
| 1,161,358 | 0 | 1,161,358 | 0 |
| 193,411 | 0 | 193,411 | 0 |
| 522,623 | 0 | 522,623 | 0 |
| 16,036,604 | 0 | 16,036,604 | 0 |
| 67,564 | 0 | 67,564 | 0 |
| 2,176,121 | 0 | 2,176,121 | 0 |
| 18,147 | 0 | 18,147 | 18,943 |
| 24,254 | 0 | 24,254 | 0 |
| (629,511) | 0 | (629,511) | 0 |
| 0 | 0 | 0 | 425 |
| 2,452,259 | 0 | 2,452,259 | 6,241 |
| 33,654,269 | 0 | 33,654,269 | 25,609 |
| (3,342,717) | 3,342,717 | 0 | 0 |
| 30,311,552 | 3,342,717 | 33,654,269 | 25,609 |
| 16,142,227 | 8,351,365 | 24,493,592 | 78,732 |
| 187,011,816 | 5,315,983 | 192,327,799 | 1,036,980 |
| $203,154,043 | $13,667,348 | $216,821,391 | $1,115,712 |

**Washington County, Ohio**
*Balance Sheet*
*Governmental Funds*
*December 31, 2022*

| | General | Motor Vehicle and Gasoline Tax | Board of Developmental Disabilities | County Home | American Rescue Plan | County Building Energy | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Equity in Pooled Cash and | | | | | | | | |
| Cash Equivalents | $19,301,237 | $5,501,864 | $7,158,153 | $2,984,404 | $206,983 | $11,546,893 | $12,560,415 | $59,259,949 |
| Cash and Cash Equivalents in | | | | | | | | |
| Segregated Accounts | 12,475 | 0 | 0 | 0 | 0 | 0 | 456,818 | 469,293 |
| Restricted Assets: | | | | | | | | |
| Cash and Cash Equivalents | 529,465 | 0 | 0 | 0 | 0 | 0 | 0 | 529,465 |
| Materials and Supplies Inventory | 168,027 | 448,552 | 9,748 | 26,133 | 0 | 0 | 5,911 | 658,371 |
| Receivables: | | | | | | | | |
| Property Taxes | 5,141,272 | 0 | 4,398,413 | 2,784,271 | 0 | 0 | 3,719,187 | 16,043,143 |
| Sales Taxes | 2,704,050 | 0 | 0 | 0 | 0 | 0 | 0 | 2,704,050 |
| Permissive Motor Vehicle License Tax | 0 | 70,920 | 0 | 0 | 0 | 0 | 0 | 70,920 |
| Accounts | 19,783 | 0 | 6,589 | 0 | 0 | 0 | 4,956 | 31,328 |
| Revenue in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 22,032 | 22,032 |
| Intergovernmental | 1,103,295 | 2,954,007 | 163,106 | 102,707 | 0 | 0 | 1,361,140 | 5,684,255 |
| Leases | 106,510 | 0 | 0 | 0 | 0 | 0 | 0 | 106,510 |
| Interfund | 2,462,841 | 0 | 0 | 0 | 0 | 0 | 145,004 | 2,607,845 |
| Prepaid Items | 401,435 | 33,146 | 14,410 | 15,676 | 0 | 0 | 115,828 | 580,495 |
| *Total Assets* | $31,950,390 | $9,008,489 | $11,750,419 | $5,913,191 | $206,983 | $11,546,893 | $18,391,291 | $88,767,656 |
| **Liabilities and Fund Balances** | | | | | | | | |
| **Liabilities** | | | | | | | | |
| Accounts Payable | $209,422 | $144,160 | $34,333 | $21,332 | $0 | $0 | $601,339 | $1,010,586 |
| Contracts Payable | 0 | 0 | 0 | 0 | 0 | 879,997 | 0 | 879,997 |
| Accrued Wages Payable | 229,512 | 30,132 | 44,177 | 39,331 | 0 | 0 | 128,618 | 471,770 |
| Matured Compensated Absences Payable | 11,828 | 0 | 70 | 0 | 0 | 0 | 0 | 11,898 |
| Interfund Payable | 3,128 | 797 | 7,750 | 24,443 | 0 | 0 | 671,727 | 707,845 |
| Intergovernmental Payable | 339,313 | 22,261 | 32,967 | 25,734 | 0 | 0 | 98,836 | 519,111 |
| Unearned Revenue | 0 | 0 | 0 | 0 | 206,983 | 0 | 276,599 | 483,582 |
| *Total Liabilities* | 793,203 | 197,350 | 119,297 | 110,840 | 206,983 | 879,997 | 1,777,119 | 4,084,789 |
| **Deferred Inflows of Resources** | | | | | | | | |
| Property Taxes | 4,747,767 | 0 | 4,061,853 | 2,619,508 | 0 | 0 | 3,374,675 | 14,803,803 |
| Unavailable Revenue | 987,653 | 1,971,227 | 492,864 | 267,470 | 0 | 0 | 1,529,989 | 5,249,203 |
| Leases | 106,510 | 0 | 0 | 0 | 0 | 0 | 0 | 106,510 |
| *Total Deferred Inflows of Resources* | 5,841,930 | 1,971,227 | 4,554,717 | 2,886,978 | 0 | 0 | 4,904,664 | 20,159,516 |
| **Fund Balances** | | | | | | | | |
| Nonspendable | 1,098,927 | 481,698 | 24,158 | 41,809 | 0 | 0 | 121,739 | 1,768,331 |
| Restricted | 0 | 6,358,214 | 7,052,247 | 2,873,564 | 0 | 10,666,896 | 11,650,715 | 38,601,636 |
| Committed | 30,354 | 0 | 0 | 0 | 0 | 0 | 165,621 | 195,975 |
| Assigned | 7,212,004 | 0 | 0 | 0 | 0 | 0 | 0 | 7,212,004 |
| Unassigned (Deficit) | 16,973,972 | 0 | 0 | 0 | 0 | 0 | (228,567) | 16,745,405 |
| *Total Fund Balances* | 25,315,257 | 6,839,912 | 7,076,405 | 2,915,373 | 0 | 10,666,896 | 11,709,508 | 64,523,351 |
| *Total Liabilities, Deferred Inflows of Resources and Fund Balances* | $31,950,390 | $9,008,489 | $11,750,419 | $5,913,191 | $206,983 | $11,546,893 | $18,391,291 | $88,767,656 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Reconciliation of Total Governmental Fund Balances*
*to Net Position of Governmental Activities*
*December 31, 2022*

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | $64,523,351 |
| ***Amounts reported for governmental activities in the statement of net position are different because*** | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 173,047,363 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds: | | |
| Delinquent Property Taxes | 1,238,931 | |
| Payments in Lieu of Taxes | 22,032 | |
| Intergovernmental | 3,984,282 | |
| Charges for Services | 3,958 | 5,249,203 |
| The net pension liability/asset and the net OPEB asset are not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in the funds: | | |
| Deferred Outflows - Pension | 5,545,645 | |
| Deferred Inflows - Pension | (15,097,413) | |
| Net Pension Liability | (12,890,578) | |
| Net Pension Asset | 473,186 | |
| Deferred Outflows - OPEB | 93,119 | |
| Deferred Inflows - OPEB | (4,530,463) | |
| Net OPEB Asset | 4,376,369 | (22,030,135) |
| Leave Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the balance sheet until due. | | (1,741,651) |
| Long-term liabilities and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds: | | |
| Bonds Payable | (14,573,072) | |
| OPWC Loans Payable | (877,332) | |
| Leases Payable | (45,939) | |
| Compensated Absences Payable | (394,647) | |
| Accrued Interest Payable | (3,098) | (15,894,088) |
| Net Position of Governmental Activities | | $203,154,043 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Revenues, Expenditures and Changes in Fund Balances*
*Governmental Funds*
*For the Year Ended December 31, 2022*

| | General | Motor Vehicle and Gasoline Tax | Board of Developmental Disabilities | County Home | American Rescue Plan | County Building Energy | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Property Taxes | $3,871,443 | $0 | $4,013,386 | $1,922,364 | $0 | $0 | $3,544,545 | $13,351,738 |
| Sales Taxes | 16,036,604 | 0 | 0 | 0 | 0 | 0 | 0 | 16,036,604 |
| Payment in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 25,741 | 25,741 |
| Lodging Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 67,564 | 67,564 |
| Charges for Services | 3,610,063 | 106,632 | 168,226 | 682,665 | 0 | 0 | 1,625,040 | 6,192,626 |
| Licenses and Permits | 17,475 | 0 | 0 | 0 | 0 | 0 | 195,180 | 212,655 |
| Fines, Forfeitures and Settlements | 74,375 | 46,357 | 0 | 0 | 0 | 0 | 1,539,910 | 1,660,642 |
| Intergovernmental | 11,304,305 | 7,275,032 | 2,158,509 | 162,372 | 9,559,579 | 0 | 20,079,266 | 50,539,063 |
| Interest Earnings and Other Interest | (629,040) | 126,311 | 0 | 0 | 0 | 0 | 7 | (502,722) |
| Rent | 222,565 | 0 | 16,000 | 0 | 0 | 0 | 49,979 | 288,544 |
| Contributions and Donations | 34,000 | 0 | 5,847 | 0 | 0 | 0 | 6,031 | 45,878 |
| Lease | 6,979 | 0 | 0 | 0 | 0 | 0 | 0 | 6,979 |
| Miscellaneous | 785,111 | 1,009,177 | 136,936 | 27,055 | 0 | 0 | 493,980 | 2,452,259 |
| *Total Revenues* | 35,333,880 | 8,563,509 | 6,498,904 | 2,794,456 | 9,559,579 | 0 | 27,627,243 | 90,377,571 |
| **Expenditures** | | | | | | | | |
| Current: | | | | | | | | |
| General Government: | | | | | | | | |
| Legislative and Executive | 7,397,105 | 0 | 0 | 0 | 1,016,716 | 0 | 898,704 | 9,312,525 |
| Judicial | 2,392,071 | 0 | 0 | 0 | 0 | 0 | 985,011 | 3,377,082 |
| Public Safety | 11,990,393 | 0 | 0 | 0 | 3,901,375 | 0 | 2,650,285 | 18,542,053 |
| Public Works | 2,120,656 | 8,746,439 | 0 | 0 | 0 | 0 | 1,407,217 | 12,274,312 |
| Health: | | | | | | | | |
| Alcohol, Drug, and Mental Health | 0 | 0 | 0 | 0 | 0 | 0 | 2,848,146 | 2,848,146 |
| Board of Developmental Disabilities | 0 | 0 | 6,035,850 | 0 | 0 | 0 | 0 | 6,035,850 |
| County Home | 1,725 | 0 | 0 | 3,568,244 | 0 | 0 | 0 | 3,569,969 |
| Other Health | 45,636 | 0 | 0 | 0 | 0 | 0 | 216,209 | 261,845 |
| Human Services: | | | | | | | | |
| Child Support Enforcement | 0 | 0 | 0 | 0 | 0 | 0 | 858,684 | 858,684 |
| Children Services | 0 | 0 | 0 | 0 | 0 | 0 | 5,827,181 | 5,827,181 |
| Job and Family Services | 0 | 0 | 0 | 0 | 0 | 0 | 8,493,163 | 8,493,163 |
| Senior Services | 0 | 0 | 0 | 0 | 0 | 0 | 92,672 | 92,672 |
| Other Human Services | 800,934 | 0 | 0 | 0 | 0 | 0 | 1,255,472 | 2,056,406 |
| Economic Development and Assistance | 641,396 | 0 | 0 | 0 | 4,240,639 | 0 | 221,437 | 5,103,472 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 3,498,104 | 4,014,429 | 7,512,533 |
| Intergovernmental | 0 | 0 | 0 | 0 | 400,849 | 0 | 720,178 | 1,121,027 |
| Debt Service: | | | | | | | | |
| Principal Retirement | 76,570 | 353,738 | 0 | 0 | 0 | 0 | 556,822 | 987,130 |
| Interest | 2,210 | 2,714 | 0 | 0 | 0 | 0 | 208,846 | 213,770 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 | 35,000 | 0 | 35,000 |
| *Total Expenditures* | 25,468,696 | 9,102,891 | 6,035,850 | 3,568,244 | 9,559,579 | 3,533,104 | 31,254,456 | 88,522,820 |
| *Excess of Revenues Over (Under) Expenditures* | 9,865,184 | (539,382) | 463,054 | (773,788) | 0 | (3,533,104) | (3,627,213) | 1,854,751 |
| **Other Financing Sources (Use)** | | | | | | | | |
| Proceeds of OPWC Loans | 0 | 0 | 0 | 0 | 0 | 0 | 530,526 | 530,526 |
| Proceeds from Sale of Capital Assets | 18,013 | 78,750 | 0 | 0 | 0 | 0 | 0 | 96,763 |
| Bonds Issued | 0 | 0 | 0 | 0 | 0 | 14,200,000 | 0 | 14,200,000 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 0 | 3,486,659 | 3,486,659 |
| Transfers Out | (6,829,376) | 0 | 0 | 0 | 0 | 0 | 0 | (6,829,376) |
| Total Other Financing Sources (Use) | (6,811,363) | 78,750 | 0 | 0 | 0 | 14,200,000 | 4,017,185 | 11,484,572 |
| *Net Change in Fund Balances* | 3,053,821 | (460,632) | 463,054 | (773,788) | 0 | 10,666,896 | 389,972 | 13,339,323 |
| *Fund Balances (Deficit) Beginning of Year* | 22,261,436 | 7,300,544 | 6,613,351 | 3,689,161 | 0 | 0 | 11,319,536 | 51,184,028 |
| *Fund Balances (Deficit) End of Year* | $25,315,257 | $6,839,912 | $7,076,405 | $2,915,373 | $0 | $10,666,896 | $11,709,508 | $64,523,351 |

See accompanying notes to the basic financial statements

*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances*
*of Governmental Funds to the Statement of Activities*
*For the Year Ended December 31, 2022*

| | | |
|---|---|---|
| **Net Change in Fund Balances - Governmental Funds** | | $13,339,323 |
| ***Amounts reported for governmental activities in the statement of activities are different because:*** | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period: | | |
| Capital Asset Additions | 9,922,606 | |
| Current Year Depreciation/Amortization | (1,540,314) | 8,382,292 |
| Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of assets: | | |
| Proceeds from Sale of Capital Assets | (96,763) | |
| Gain on the Disposal of Capital Assets | 18,147 | (78,616) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund: | | |
| Delinquent Property Taxes | 157,093 | |
| Payments in Lieu of Taxes | (1,487) | |
| Intergovernmental | (722,933) | |
| Charges for Services | (26,647) | (593,974) |
| Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities: | | |
| General Obligation Bonds Payable | 542,901 | |
| USDA Bond Payable | 12,200 | |
| OPWC Loans Payable | 341,538 | |
| Leases Payable | 34,619 | |
| Financed Purchase | 55,872 | 987,130 |
| Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. Premiums and discounts are reported as revenues and expenditures when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities: | | |
| Bond Premium Amortization | 2,045 | |
| Accrued Interest Payable | 7 | |
| Amortization of Discount | (779) | 1,273 |
| Bond and loan proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of activities: | | |
| Refunding Bonds | (14,200,000) | |
| OPWC Loan Issued | (530,526) | (14,730,526) |
| The inception of lease is reported as an other financing source in the governmental funds, but increases long-term liabilities on the statement of net position. | | (57,747) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds: | | |
| Leave Benefits Payable | (2,016) | |
| Compensated Absences Payable | (22,132) | (24,148) |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows: | | |
| Pension | 3,185,000 | |
| OPEB | 29,609 | 3,214,609 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities: | | |
| Pension | 1,991,864 | |
| OPEB | 3,710,747 | 5,702,611 |
| **Change in Net Position of Governmental Activities** | | $16,142,227 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Revenues, Expenditures and Changes in*
*Fund Balance - Budget and Actual (Budget Basis)*
*General Fund*
*For the Year Ended December 31, 2022*

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Property Taxes | $3,638,082 | $3,638,082 | $3,832,123 | $194,041 |
| Sales Taxes | 13,700,000 | 14,140,000 | 15,914,385 | 1,774,385 |
| Charges for Services | 3,529,180 | 3,581,043 | 3,629,905 | 48,862 |
| Licenses and Permits | 10,450 | 10,450 | 17,475 | 7,025 |
| Fines and Forfeitures | 96,650 | 93,750 | 75,102 | (18,648) |
| Intergovernmental | 1,887,775 | 10,566,252 | 11,217,512 | 651,260 |
| Interest | 500,300 | 934,931 | 935,010 | 79 |
| Rent | 184,913 | 184,913 | 205,420 | 20,507 |
| Contributions and Donations | 0 | 34,100 | 34,100 | 0 |
| Miscellaneous | 848,550 | 887,528 | 779,388 | (108,140) |
| *Total Revenues* | 24,395,900 | 34,071,049 | 36,640,420 | 2,569,371 |
| **Expenditures** | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 6,963,313 | 8,106,542 | 7,782,903 | 323,639 |
| Judicial | 2,631,819 | 2,698,318 | 2,419,231 | 279,087 |
| Public Safety | 12,740,934 | 13,609,737 | 13,199,093 | 410,644 |
| Public Works | 2,652,711 | 2,653,058 | 2,120,901 | 532,157 |
| Health | 164,372 | 164,372 | 162,000 | 2,372 |
| Human Services | 907,144 | 907,144 | 870,121 | 37,023 |
| Economic Development and Assistance | 158,131 | 4,998,526 | 642,526 | 4,356,000 |
| Debt Service: | | | | 0 |
| Principal Retirements | 20,698 | 20,698 | 20,698 | 0 |
| Interest | 260 | 260 | 260 | 0 |
| *Total Expenditures* | 26,239,382 | 33,158,655 | 27,217,733 | 5,940,922 |
| *Excess of Revenues Over (Under) Expenditures* | (1,843,482) | 912,394 | 9,422,687 | 8,510,293 |
| **Other Financing Sources (Uses)** | | | | |
| Proceeds from Sale of Capital Assets | 3,000 | 11,499 | 18,013 | 6,514 |
| Advance In | 436,499 | 440,731 | 213,122 | (227,609) |
| Advance Out | (100,000) | (1,900,000) | (1,900,000) | 0 |
| Transfers Out | (2,134,274) | (7,319,376) | (6,829,376) | 490,000 |
| *Total Other Financing Sources (Uses)* | (1,794,775) | (8,767,146) | (8,498,241) | 268,905 |
| *Net Change in Fund Balance* | (3,638,257) | (7,854,752) | 924,446 | 8,779,198 |
| *Fund Balance Beginning of Year* | 16,690,418 | 16,690,418 | 16,690,418 | 0 |
| Prior Year Encumbrances Appropriated | 961,956 | 961,956 | 961,956 | 0 |
| *Fund Balance End of Year* | $14,014,117 | $9,797,622 | $18,576,820 | $8,779,198 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Revenues, Expenditures and Changes in*
*Fund Balance - Budget and Actual (Budget Basis)*
*Motor Vehicle and Gasoline Tax Fund*
*For the Year Ended December 31, 2022*

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for Services | $50,000 | $110,391 | $106,632 | ($3,759) |
| Fines and Forfeitures | 40,000 | 42,777 | 45,471 | 2,694 |
| Intergovernmental | 6,260,000 | 7,139,451 | 7,253,474 | 114,023 |
| Interest | 50,000 | 94,233 | 126,311 | 32,078 |
| Miscellaneous | 15,000 | 1,009,177 | 1,009,177 | 0 |
| *Total Revenues* | 6,415,000 | 8,396,029 | 8,541,065 | 145,036 |
| **Expenditures** | | | | |
| Current: | | | | |
| Public Works | 8,831,253 | 11,213,326 | 10,373,694 | 839,632 |
| Debt Service: | | | | |
| Principal Retirement | 56,900 | 356,900 | 353,738 | 3,162 |
| Interest | 2,800 | 2,800 | 2,714 | 86 |
| *Total Expenditures* | 8,890,953 | 11,573,026 | 10,730,146 | 842,880 |
| *Excess of Revenues Under Expenditures* | (2,475,953) | (3,176,997) | (2,189,081) | 987,916 |
| *Fund Balance Beginning of Year* | 3,799,467 | 3,799,467 | 3,799,467 | 0 |
| Prior Year Encumbrances Appropriated | 2,475,954 | 2,475,954 | 2,475,954 | 0 |
| *Fund Balance End of Year* | $3,799,468 | $3,098,424 | $4,086,340 | $987,916 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)*
*Board of Developmental Disabilities Fund*
*For the Year Ended December 31, 2022*

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Property Taxes | $3,939,150 | $3,939,150 | $3,993,373 | $54,223 |
| Charges for Services | 86,000 | 186,000 | 173,728 | (12,272) |
| Intergovernmental | 1,730,192 | 2,255,631 | 2,155,379 | (100,252) |
| Rent | 38,000 | 16,000 | 16,000 | 0 |
| Contributions and Donations | 5,000 | 5,000 | 5,847 | 847 |
| Miscellaneous | 123,000 | 123,000 | 136,936 | 13,936 |
| *Total Revenues* | 5,921,342 | 6,524,781 | 6,481,263 | (43,518) |
| **Expenditures** | | | | |
| Current: | | | | |
| Health | 9,304,444 | 9,605,164 | 6,199,736 | 3,405,428 |
| *Net Change in Fund Balance* | (3,383,102) | (3,080,383) | 281,527 | 3,361,910 |
| *Fund Balance Beginning of Year* | 6,462,204 | 6,462,204 | 6,462,204 | 0 |
| Prior Year Encumbrances Appropriated | 158,236 | 158,236 | 158,236 | 0 |
| *Fund Balance End of Year* | $3,237,338 | $3,540,057 | $6,901,967 | $3,361,910 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Revenues, Expenditures and Changes in*
*Fund Balance - Budget and Actual (Budget Basis)*
*County Home Fund*
*For the Year Ended December 31, 2022*

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Property Taxes | $1,876,990 | $1,876,990 | $1,897,716 | $20,726 |
| Charges for Services | 525,000 | 525,000 | 682,665 | 157,665 |
| Intergovernmental | 167,250 | 167,250 | 162,372 | (4,878) |
| Miscellaneous | 19,000 | 19,000 | 27,055 | 8,055 |
| *Total Revenues* | 2,588,240 | 2,588,240 | 2,769,808 | 181,568 |
| **Expenditures** | | | | |
| Current: | | | | |
| County Home | 3,845,454 | 4,003,175 | 3,650,103 | 353,072 |
| *Net Change in Fund Balance* | (1,257,214) | (1,414,935) | (880,295) | 534,640 |
| *Fund Balance Beginning of Year* | 3,549,361 | 3,549,361 | 3,549,361 | 0 |
| Prior Year Encumbrances Appropriated | 114,206 | 114,206 | 114,206 | 0 |
| *Fund Balance End of Year* | $2,406,353 | $2,248,632 | $2,783,272 | $534,640 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)*
*American Rescue Plan Fund*
*For the Year Ended December 31, 2022*

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $5,818,505 | $5,818,505 | $5,731,714 | ($86,791) |
| **Expenditures** | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 965,697 | 1,049,327 | 1,061,716 | (12,389) |
| Public Safety | 3,705,607 | 4,026,515 | 3,901,375 | 125,140 |
| Economic Deveolopment and Assistance | 4,027,847 | 4,376,661 | 4,240,639 | 136,022 |
| Intergovernmental | 400,849 | 400,849 | 400,849 | 0 |
| *Total Expenditures* | 9,100,000 | 9,853,352 | 9,604,579 | 248,773 |
| *Net Change in Fund Balance* | (3,281,495) | (4,034,847) | (3,872,865) | 161,982 |
| *Fund Balance Beginning of Year* | 4,034,848 | 4,034,848 | 4,034,848 | 0 |
| *Fund Balance End of Year* | $753,353 | $1 | $161,983 | $161,982 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Fund Net Position*
*Proprietary Fund*
*December 31, 2022*

| | Sewer Enterprise Fund |
|---|---|
| **Assets** | |
| Current Assets: | |
| Equity in Pooled Cash and Cash Equivalents | $8,842,228 |
| Receivables: | |
| Accounts | 258,021 |
| Prepaid Items | 1,202 |
| Materials and Supplies Inventory | 5,228 |
| *Total Current Assets* | 9,106,679 |
| Noncurrent Assets: | |
| Restricted Assets: | |
| Special Assessments Receivable | 49,007 |
| Non-Depreciable Capital Assets | 9,682,608 |
| Depreciable Capital Assets, Net | 5,122,652 |
| *Total Noncurrent Assets* | 14,854,267 |
| *Total Assets* | 23,960,946 |
| **Deferred Outflows of Resources** | |
| Asset Retirement Obligations | 80,062 |
| **Liabilities** | |
| Current Liabilities: | |
| Accounts Payable | 202,412 |
| Contracts Payable | 3,229,323 |
| Accrued Wages Payable | 4,113 |
| Leave Benefits Payable | 11,201 |
| Intergovernmental Payable | 26,396 |
| Accrued Interest Payable | 4,095 |
| Retainage Payable | 644,260 |
| Interfund Payable | 1,900,000 |
| Current Portion of General Obligation Bonds Payable | 24,000 |
| Current Portion of OWDA Loans Payable | 65,227 |
| Current Portion of OPWC Loans Payable | 11,543 |
| *Total Current Liabilities* | 6,122,570 |
| Long-Term Liabilities (Net of Current Portion): | |
| Compensated Absences Payable | 1,004 |
| General Obligation Bonds Payable | 522,000 |
| OWDA Loans Payable | 3,121,499 |
| OPWC Loans Payable | 396,587 |
| Asset Retirement Obligations | 210,000 |
| *Total Long-Term Liabilities* | 4,251,090 |
| *Total Liabilities* | 10,373,660 |
| **Net Position** | |
| Net Investment in Capital Assets | 9,326,850 |
| Unrestricted | 4,340,498 |
| *Total Net Position* | $13,667,348 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Revenues, Expenses and Changes in Fund Net Position*

*Proprietary Fund*

*For the Year Ended December 31, 2022*

| | Sewer Enterprise Fund |
|---|---|
| **Operating Revenues** | |
| Charges for Services | $1,285,587 |
| | |
| **Operating Expenses** | |
| Personal Services | 174,919 |
| Fringe Benefits | 51,649 |
| Contractual Services | 1,543,408 |
| Materials and Supplies | 56,786 |
| Depreciation | 251,818 |
| Miscellaneous | 781 |
| | |
| *Total Operating Expenses* | 2,079,361 |
| | |
| *Operating Income* | (793,774) |
| | |
| **Non-Operating Expense** | |
| Interest | (60,991) |
| | |
| *Income Before Contributions and Transfers* | (854,765) |
| | |
| Capital Contributions from Grants | 5,863,413 |
| Transfers In | 3,342,717 |
| | |
| *Change in Net Position* | 8,351,365 |
| | |
| *Net Position Beginning of Year* | 5,315,983 |
| | |
| *Net Position End of Year* | $13,667,348 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**
*Statement of Cash Flows*
*Proprietary Fund*
*For the Year Ended December 31, 2022*

| | Sewer Enterprise Fund |
|---|---|
| **Increase (Decrease) in Cash and Cash Equivalents** | |
| **Cash Flows from Operating Activities** | |
| Cash Received from Customers | $1,205,317 |
| Cash Payments for Employee Services and Benefits | (223,168) |
| Cash Payments for Goods and Services | (1,437,121) |
| *Net Cash Provided by Operating Activities* | (454,972) |
| **Cash Flows from Noncapital Financing Activities** | |
| Transfers In | 3,342,717 |
| Advances In | 1,900,000 |
| *Net Cash Provided by Noncapital Activities* | 5,242,717 |
| **Cash Flows from Capital and Related Financing Activities** | |
| Special Assessments | 3,318 |
| Capital Grants | 5,863,413 |
| Payments for Capital Acquistions | (3,103,653) |
| Proceeds from OWDA Loan | 370,153 |
| Principal Paid on Debt | (436,525) |
| Interest Paid on Debt | (61,167) |
| *Net Cash Used for Capital and Related Financing Activities* | 2,635,539 |
| *Net Increase in Cash and Cash Equivalents* | 7,423,284 |
| *Cash and Cash Equivalents Beginning of Year* | 1,418,944 |
| *Cash and Cash Equivalents End of Year* | $8,842,228 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** | |
| Operating Income | ($793,774) |
| Adjustments: | |
| Depreciation | 251,818 |
| Changes in Assets and Liabilities: | |
| Increase in Accounts Receivable | (80,255) |
| Increase in Prepaid Items | (421) |
| Decrease in Deferred Outflows - Asset Retirement Obligations | 5,250 |
| Increase in Materials and Supplies Inventory | (5,228) |
| Increase in Accounts Payable | 183,983 |
| Increase in Accrued Wages Payable | 1,496 |
| Increase in Vacation Benefits Payable | 4,617 |
| Increase in Compensated Absences Payable | 242 |
| Decrease in Intergovernmental Payable | (21,926) |
| Decrease in Interfund Payable | (774) |
| *Net Cash Provided by Operating Activities* | ( $454,972) |

**Noncash Capital Financing Transactions**
The Sewer Enterprise Fund reflects a net increase in capital asset additions in the amount of $3,771,450 resulting from the recognition of contracts payables and retainage payables.

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Fiduciary Net Position*

*Custodial Funds*

*December 31, 2022*

| | |
|---|---|
| **Assets** | |
| Equity in Pooled Cash and Cash Equivalents | $3,841,052 |
| Cash and Cash Equivalents in Segregated Accounts | 1,382,634 |
| Investments in Segregated Accounts | 30,474 |
| Receivables: | |
| Intergovernmental | 3,758,434 |
| Accounts | 98,582 |
| Property Taxes | 69,681,713 |
| Special Assessments | 134,418 |
| *Total Assets* | 78,927,307 |
| **Deferred Inflows of Resources** | |
| Property Taxes | 67,520,062 |
| **Net Position** | |
| Restricted for Individuals, Organizations and Other Governments | $11,407,245 |

See accompanying notes to the basic financial statements

**Washington County, Ohio**

*Statement of Changes in Fiduciary Net Position*

*Custodial Funds*

*For the Year Ended December 31, 2022*

| | |
|---|---|
| **Additions** | |
| Intergovernmental | $10,085,640 |
| Amounts Received as Fiscal Agent | 3,575,857 |
| Licenses, Permits and Fees Collected for Other Governments | 10,871 |
| Fines and Forfeitures Collected for Other Governments | 13,065,132 |
| Property Tax Collections for Other Governments | 71,665,909 |
| Interest, Dividends, and Other Investment Income | 48 |
| Contributions from Individuals | 548,030 |
| Amounts Received for Others | 822,582 |
| Miscellaneous | 81 |
| *Total Additions* | 99,774,150 |
| **Deductions** | |
| Distributions to the State of Ohio | 13,325,394 |
| Distributions of State Funds to Other Governments | 6,405,120 |
| Distributions as Fiscal Agent | 3,554,997 |
| Licenses, Permits and Fees Distributions to Other Governments | 8,029 |
| Fines and Forfeitures Distributions to Other Governments | 34,467 |
| Property Tax Distributions to Other Governments | 73,387,967 |
| Distributions on Behalf of Employees | 75 |
| Distributions to Individuals | 1,886,919 |
| *Total Deductions* | 98,602,968 |
| *Increase in Fiduciary Net Position* | 1,171,182 |
| *Net Position Beginning of Year - Restated (See Note 3)* | 10,236,063 |
| *Net Position End of Year* | $11,407,245 |

See accompanying notes to the basic financial statements

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## .NOTE 1 - REPORTING ENTITY

Washington County, Ohio (the County), was created July 26, 1778, by Governor Arthur St. Clair. The County was the first county formed in the Northwest Territory and is composed of twenty-two townships. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, and Sheriff. Also elected are two Common Pleas Court Judges and a Probate and Juvenile Court Judge. The County Commissioners serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County.

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Washington County, this includes the Board of Developmental Disabilities, the Mental Health and Addiction Recovery Board, and all departments and activities that are directly operated by the elected County Officials.

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

### *Discretely Presented Component Units*

Southeastern Ohio Port Authority (the Authority) was created during 2003, pursuant to Sections 4582.202 through 4582.58, inclusive, of the Ohio Revised Code for the purpose of promoting the manufacturing, commerce, distribution, and research and development interest of Southeastern Ohio, including rendering financial and other assistance to such enterprises situated in the region and to induce the location in Southeastern Ohio of other manufacturing, commerce, distribution, and research entities; to purchase, subdivide, sell, and lease real property in Southeastern Ohio; and erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Southeastern Ohio. The Authority's Board of Directors consists of the number of Directors it deems necessary. They are appointed by the Washington County Commissioners. The County assumes the responsibility to provide financial support to the Authority and has guaranteed the debt of the Authority; therefore, it is included as a discretely presented component unit. Separately issued financial statements can be obtained from the Authority in Marietta, Ohio.

The following potential component units have been excluded from the County's financial statements:

Washington County Career Center
Washington County Agricultural Society
Washington County Historical Society
Washington State Community College
Washington County Cooperative Extension
Marietta Tourist and Convention Bureau
Washington County Law Library

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies is presented as custodial funds within the County's financial statements:

***Washington County General Health District*** The District is governed by the Board of Health which oversees the operation of the District and is elected by a regional advisory council composed of township trustees, mayors of participating municipalities, and one County Commissioner. The council adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District.

***Washington County Soil and Water Conservation District*** The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The County is associated with certain organizations which are defined as jointly governed organizations and insurance purchasing pools. These organizations are presented in Notes 18 and 21 to the Basic Financial Statements. The organizations are:

Buckeye Hills Regional Council
Southeastern Ohio Joint Solid Waste Management District
Washington-Morgan Community Action Corporation
Washington County Family and Children First Council
Wood, Washington, and Wirt Planning Commission
Buckeye Hills Resource Conservation and Development Council (RC&D)
Mid-East Ohio Regional Council (MEORC)
Ohio Valley Employment Resource (OVER)
Regional Child Abuse Prevention Council
County Risk Sharing Authority, Inc. (CORSA)
County Employee Benefits Consortium of Ohio, Inc. (CEBCO)

The County is associated with the Washington County Public Library, which is classified as a related organization. Additional information concerning the related organization is presented in Note 20.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### *A. Basis of Presentation*

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

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

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

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

### *B. Fund Accounting*

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

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the County's major governmental funds:

> ***General Fund*** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose, provided it is expended and transferred according to the general laws of Ohio.
>
> ***Motor Vehicle and Gasoline Tax Fund*** This fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive sales taxes, and interest. Expenditures in this fund are restricted by state law to County road and bridge repair/improvements programs.
>
> ***Board of Developmental Disabilities Fund*** This fund accounts for the operation of a school and the costs of administering a sheltered workshop for the developmentally disabled residents of the County. Revenue sources are federal and state grant monies and a county-wide property tax levy.
>
> ***County Home Fund*** This fund accounts for property tax revenues and other resources used to finance the operation of the County Home.
>
> ***American Rescue Plan Fund*** This fund accounts for restricted Coronavirus funding from the federal government through the American Rescue Plan Act of 2021, to support the County's response to and recovery from the COVID-19 public health emergency.
>
> ***County Building Energy Fund*** This fund accounts for the issuance of bonds for the purpose of constructing, acquiring, repairing, renovating, replacing, and improving county facilities.

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The County has no internal service funds.

> ***Enterprise Fund*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's Enterprise Fund:
>
> > ***Sewer Fund*** This fund accounts for sanitary sewer services provided to County individual and commercial users. The costs of providing these services are financed primarily through user charges.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's fiduciary funds are all custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; and, for State shared resources received from the State and distributed to other local governments.

*C. Measurement Focus*

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

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

*D. Basis of Accounting*

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

***Revenues - Exchange and Non-exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, pension, and OPEB. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB, leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, payments in lieu of taxes, intergovernmental grants, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities are found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

*E. Budgetary Process*

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by County Commissioners at the fund, program, department, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2021 upon which the final appropriations were based.

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

*F. Cash and Cash Equivalents*

To improve cash management, cash received by the County Treasurer is pooled. Cash balances, except cash held by a fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Various departments within the County have segregated bank accounts for monies held separate from the County's central bank account. These accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited with the County Treasurer.

During 2022, investments were limited to certificates of deposit and commercial paper, corporate notes, and in federal agency securities, which are reported at fair value based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. County policy requires interest earned on investments to be credited to the General Fund except where there is a legal requirement or there are bond proceeds for capital improvements. Investment Earnings and Other Interest in the General Fund during 2022 amounted to ($629,040), which includes ($433,597) assigned from other County funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

*G. Inventory*

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

*H. Restricted Assets*

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by the creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted. Special assessments receivable are also presented as restricted assets as their use is limited by the authorizing statute.

*I. Receivables and Payables*

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Using these criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

*J. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

*K. Interfund Balances*

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

*L. Capital Assets*

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the fund.

All capital assets(except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land, general infrastructure, and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization are computed using the straight-line method over the following useful lives:

| Description | Governmental Activities Estimated Lives | Business-Type Activity Estimated Lives |
|---|---|---|
| Land Improvements | 40-100 Years | n/a |
| Buildings and Improvements | 40-100 Years | 40-100 Years |
| Machinery and Equipment | 5-10 Years | 5-10 Years |
| Furniture and Fixtures | 5-20 Years | n/a |
| Vehicles | 8 Years | 8 Years |
| Business-Type Infrastructure | N/A | 40 Years |
| Inangible Right to Use Buildings and Improvements | 40-100 Years | 40-100 Years |
| Inangible Right to Use Machinery and Equipment | 5-10 Years | 5-10 Years |

The County is reporting intangible right to use assets related to leased buildings and improvements and equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The County's infrastructure consists of County roads and bridges, certain culverts, and sewer systems. The County reports infrastructure acquired prior to December 31, 1980.

County road and bridges (infrastructure reported in the Governmental activities column of the statement of net position) are presented using the modified approach and therefore these assets are not depreciated. In addition, expenditures made by the County to preserve existing roads or bridges are expensed rather than capitalized. Only expenditures for additions or improvements are capitalized. Additional disclosures about the condition assessments and maintenance cost regarding the County's roads and bridges appear in the Required Supplementary Information.

*M. Compensated Absences*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "leave benefits payable", rather than long term liabilities, as the balances are to be used by the employees in the year following the year benefits are earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated, unused sick leave for employees of the County between ten and twenty-five years of service, depending on historical departmental termination payments.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent of payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account, "Matured Compensated Absences Payable" in the fund from which the employees will be paid. The remaining portion of the liability is not reported.

*N. Accrued Liabilities and Long-term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

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

*O. Fund Balance*

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

*P. Net Position*

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for OneOhio Opioid Settlement Monies.

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

*Q. Operating Revenues and Expenses*

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

*R. Internal Activity*

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

*S. Bond Premiums and Discounts*

Bond discounts and premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable. Bond premiums are presented as an addition to the face amount of the bonds. On the government fund financial statements, bond premiums and bond discounts are recognized in the period in which bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

*T. Pension/Other Postemployment Benefits (OPEB)*

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

*U. Extraordinary and Special Items*

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. The County did not have any extraordinary or special items in 2022.

*V. Estimates*

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

*W. OneOhio Opioid Settlement Monies*

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of $28,973 is reflected as fines, forfeitures, and settlements revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

*X. Leases*

The County serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

> ***Lessee*** At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a amortization basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.
>
> ***Lessor*** At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

## NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 92, *Omnibus 2020;* GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans;* and *Implementation Guide No. 2020-1*

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the County's 2022 financial statements. The County recognized $113,489 in leases receivable at January 1, 2022; however, this entire amount was offset by the deferred inflows related to leases. The County also recognized $22,811 in leases payable at January 1, 2022, which was offset by the intangible asset, right to use lease – building and improvements and right to use lease – equipment.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the County's financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91, and GASB 97 were incorporated in the County's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

It was determined that the non-depreciable capital assets was under stated in 2021, so the County will bring on $1,250,000 in non-depreciable capital assets to account for County Annex HVAC Improvement Project.

In 2021, taxes receivable was understated; the County will bring on this amount as a restatement at December 31, 2021.

Due to these restatements, the County's change in net position as of December 31, 2021, will be restated as follows:

| | Governmental |
|---|---|
| Net Position December 31, 2021 | $185,263,079 |
| Adjustments: | |
| Non-depreciable Capital Assets | 1,250,000 |
| Taxes Receivable | 498,737 |
| Restated Net Position December 31, 2021 | $187,011,816 |

The County's net position for Custodial Funds was understated at December 31, 2021. Restated amounts for the Custodial Net Position for the taxes receivable and the cash and cash equivalents in segregated accounts is as follows:

| | Custodial |
|---|---|
| Net Position December 31, 2021 | $7,501,799 |
| Adjustments: | |
| Cash and Cash Equivalents in Segregated Accounts | 283,568 |
| Taxes Receivable | 2,450,696 |
| Restated Net Position December 31, 2021 | $10,236,063 |

## NOTE 4 - FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances | General | Motor Vehicle and Gasoline Tax | Board of Developmental Disabilities | County Home | County Building Energy | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|---|
| Nonspendable: | | | | | | | |
| Inventory | $168,027 | $448,552 | $9,748 | $26,133 | $0 | $5,911 | $658,371 |
| Prepaid Items | 401,435 | 33,146 | 14,410 | 15,676 | 0 | 115,828 | 580,495 |
| Unclaimed monies | 529,465 | 0 | 0 | 0 | 0 | 0 | 529,465 |
| *Total Nonspendable* | 1,098,927 | 481,698 | 24,158 | 41,809 | 0 | 121,739 | 1,768,331 |
| Restricted for: | | | | | | | |
| Capital Improvements | 0 | 0 | 0 | 0 | 10,666,896 | 0 | 10,666,896 |
| Debt Service | 0 | 0 | 0 | 0 | 0 | 799,745 | 799,745 |
| Road and Bridge Maintenance | 0 | 6,358,214 | 0 | 0 | 0 | 210,006 | 6,568,220 |
| Mental Health Operations | 0 | 0 | 0 | 0 | 0 | 3,134,221 | 3,134,221 |
| County Home Operations | 0 | 0 | 0 | 2,873,564 | 0 | 0 | 2,873,564 |
| Real Estate Assessments | 0 | 0 | 0 | 0 | 0 | 2,406,558 | 2,406,558 |
| Cour Computer Equipment | 0 | 0 | 0 | 0 | 0 | 733,236 | 733,236 |
| Child Support Services | 0 | 0 | 0 | 0 | 0 | 957,776 | 957,776 |
| Urban Transportation | 0 | 0 | 0 | 0 | 0 | 199,291 | 199,291 |
| Board of Elections | 0 | 0 | 0 | 0 | 0 | 1,294 | 1,294 |
| Disaster Services | 0 | 0 | 0 | 0 | 0 | 126,264 | 126,264 |
| Dog and Kennel | 0 | 0 | 0 | 0 | 0 | 187,963 | 187,963 |
| Marriage Licenses | 0 | 0 | 0 | 0 | 0 | 7,227 | 7,227 |
| Court and Corrections | 0 | 0 | 0 | 0 | 0 | 1,058,183 | 1,058,183 |
| Sheriff Operations | 0 | 0 | 0 | 0 | 0 | 650,056 | 650,056 |
| 911 Operations | 0 | 0 | 0 | 0 | 0 | 861,933 | 861,933 |
| Economic Development | 0 | 0 | 0 | 0 | 0 | 75,176 | 75,176 |
| Senior Services | 0 | 0 | 0 | 0 | 0 | 212,993 | 212,993 |
| Other Purposes | 0 | 0 | 0 | 0 | 0 | 28,793 | 28,793 |
| *Total Restricted* | 0 | 6,358,214 | 7,052,247 | 2,873,564 | 10,666,896 | 11,650,715 | 38,601,636 |
| Committed to: | | | | | | | |
| Capital Projects | 30,354 | 0 | 0 | 0 | 0 | 104,029 | 134,383 |
| Background Investigations | 0 | 0 | 0 | 0 | 0 | 61,592 | 61,592 |
| *Total Committed* | 30,354 | 0 | 0 | 0 | 0 | 165,621 | 195,975 |
| Assigned to: | | | | | | | |
| 2023 Appropriations | 5,616,935 | 0 | 0 | 0 | 0 | 0 | 5,616,935 |
| Purchases on Order | 1,595,069 | 0 | 0 | 0 | 0 | 0 | 1,595,069 |
| *Total Assigned* | 7,212,004 | 0 | 0 | 0 | 0 | 0 | 7,212,004 |
| Unassigned: | 16,973,972 | 0 | 0 | 0 | 0 | (228,567) | 16,745,405 |
| Total Fund Balances | $25,315,257 | $6,839,912 | $7,076,405 | $2,915,373 | $10,666,896 | $11,709,508 | $64,523,351 |

## NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the General and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP).

4. Unrecorded cash and interest, segregated accounts, and prepaid items are reported on the balance sheet (GAAP basis) but not on the budgetary basis.

5. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

6. The investment market value adjustment is the amount recorded to bring investments to market value on the balance sheet (GAAP basis) that is not recorded on the budgetary (Cash basis)

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

Net Change in Fund Balances
General and Major Special Revenue Funds

| | General | Motor Vehicle and Gasoline Tax | Board of Developmental Disabilities | County Home | American Resuce Plan |
|---|---|---|---|---|---|
| GAAP Basis | $3,053,821 | ($460,632) | $463,054 | ($773,788) | $0 |
| Net Adjustment for | | | | | |
| Revenue Accruals | (230,097) | (101,194) | 2,372 | 22,544 | (3,827,865) |
| Beginning of the Year: | | | | | |
| Unrecorded Cash | 62,459 | 0 | 0 | 0 | 0 |
| Cash in Segregated Accounts | 13,091 | | | 60,961 | |
| Unreported Interest | 47,718 | 0 | 0 | 0 | 0 |
| Custodial Fund | | | | | |
| Cash Allocation | 72,966 | 0 | 76,108 | 36,207 | 0 |
| Prepaid Items | 315,841 | 17,506 | 31,814 | 12,993 | 0 |
| End of the Year: | | | | | |
| Unrecorded Cash | (55,507) | 0 | 0 | 0 | 0 |
| Cash in Segregated Accounts | (12,475) | 0 | 0 | (83,505) | 0 |
| Unreported Interest | 1,520,701 | 0 | 0 | 0 | 0 |
| Custodial Fund | | | | | |
| Cash Allocation | (112,316) | 0 | (96,121) | (60,855) | 0 |
| Prepaid Items | (401,435) | (33,146) | (14,410) | (15,676) | 0 |
| Net Adjustment for | | | | | |
| Expenditure Accruals | 60,191 | (196,091) | (21,225) | 35,030 | 0 |
| Advances In | 213,122 | 0 | 0 | 0 | 0 |
| Advances Out | (1,900,000) | 0 | 0 | 0 | 0 |
| Encumbrances | (1,723,634) | (1,415,524) | (160,065) | (114,206) | (45,000) |
| Budget Basis | $924,446 | ($2,189,081) | $281,527 | ($880,295) | ($3,872,865) |

## NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

    a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

At year end, the County had $2,000 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

***Investments*** As of December 31, 2021, the County had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Standard & Poor's Rating | Percent of Total Investments |
|---|---|---|---|---|
| Fair Value - Level Two Inputs | | | | |
| Municipal Bonds | $556,002 | Less than five years | AA- | 1.47 |
| U.S. Treasury Bonds | 11,254,345 | Less than five years | AA+ | 29.78 |
| Commercial Papers | 8,426,119 | Less than five years | A1-P1 | 22.30 |
| Federal National Mortgage Association Note | 3,536,790 | Less than five years | AAA | 9.36 |
| Federal Home Loan Bank Note | 5,523,509 | Less than five years | AAA | 14.62 |
| Federal Farm Credit Bonds | 3,891,944 | Less than five years | AAA | 10.30 |
| Federal Home Loan Mortgage Corporation Notes | 773,513 | Less than five years | AAA | 2.05 |
| Negotiable Certificates of Deposit | 3,825,947 | Less than five years | n/a | 10.12 |
| Total Investments | $37,788,169 | | | |

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the County's recurring fair value measurements as of December 31, 2022. All of the County's investments are valued using quoted market prices (Level 2 inputs).

***Interest Rate Risk*** The County's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The intent of the policy is to avoid the need to sell securities prior to maturity.

***Credit Risk*** The Federal National Mortgage Association Note carried a credit rating by Moody's of Aaa. The County has no investment policy that would limit its investment choices other than the restrictions contained in State statute.

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

***Concentration of Credit Risk*** Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County places no limit on the amount it may invest in any one issuer.

## NOTE 7 - RECEIVABLES

### *A. Property Taxes*

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2021, was $10.55 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

| | |
|---|---|
| Real Property | $1,543,247,050 |
| Public Utility Personal Property | 416,821,230 |
| Total | $1,960,068,280 |

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

*B. Tax Increment Financing Receivable*

The County entered into a Tax Increment Financing Agreement with Broughton Commercial Properties, LLC during 2017 for infrastructure improvements. To encourage these improvements, the company was granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County each year in an amount equal to the real property taxes that otherwise would have been due. The County is not able to record a receivable for the entire amount for all payments because the payments are based upon project collections. These payments are being used to finance the above improvements and will continue until the earlier of 20 years or until the revenue in lieu of taxes equals or exceeds the cost of improvements. A receivable in the amount of $22,032 has been recorded in the State Route 821 TIF Fund.

*C. Special Assessments Receivable*

In prior years, special assessments were assessed for the partial repayment of business-type activities debt. These special assessments relating to the payment of debt are not expected to be fully collected within one year. The amount not scheduled for collection during the subsequent year is $49,007.

*D. Intergovernmental Receivables*

| **Governmental Activities** | Amounts |
|---|---|
| Gas Excise Tax | $1,875,996 |
| Motor Vehicle License Tax | 1,074,525 |
| Homestead and Rollback | 565,001 |
| Child Support Enforcement Grants and Subsidies | 428,618 |
| Local Government | 424,629 |
| Casino Tax | 412,628 |
| Probation Services Grant | 360,196 |
| Children Services Grant and Subsidies | 353,029 |
| Child Support State Match | 131,036 |
| Miscellaneous | 33,238 |
| Senior Center Grant | 12,628 |
| Governmental Emergency Education Relief | 6,245 |
| Election Expense | 3,958 |
| Traffic Grant | 2,528 |
| **Total Governmental Activities** | $5,684,255 |

*E. Leases Receivables*

The County is reporting leases receivable of $106,510 in the General Fund at December 31, 2022. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2022, the City recognized lease revenue of $6,979 and interest revenue of $4,369 in the General Fund related to lease payments received. A description of the County's leasing arrangements is as follows:

| Company | Asset | Lease Commencement Date | Years | Lease Ending Date |
|---|---|---|---|---|
| Chase Bank | ATM | 2018 | 12 | 2030 |
| Southeastern Ohio Broadband | Tower | 2022 | 60 | 2082 |
| Integrated Services | Office | 2020 | 2 | 2022 |
| Southeastern Ohio Port Authority | Office | 2021 | 2 | 2023 |

A summary of future lease revenue is as follows:

| Year | Principal | Interest |
|---|---|---|
| 2023 | $7,949 | $5,548 |
| 2024 | 4,193 | 5,207 |
| 2025 | 4,466 | 4,934 |
| 2026 | 5,114 | 4,636 |
| 2027 | 5,632 | 4,293 |
| 2028-2032 | 31,010 | 14,175 |
| 2033-2037 | 1,491 | 10,509 |
| 2038-2042 | 1,860 | 10,140 |
| 2043-2047 | 2,320 | 9,680 |
| 2048-2052 | 2,894 | 9,106 |
| 2053-2057 | 3,610 | 8,390 |
| 2058-2062 | 4,503 | 7,497 |
| 2063-2067 | 5,618 | 6,382 |
| 2068-2072 | 7,008 | 4,992 |
| 2073-2077 | 8,742 | 3,258 |
| 2078-2082 | 10,100 | 1,099 |
| | $106,510 | $109,846 |

## NOTE 8 - PERMISSIVE SALES AND USE TAX

In 1983, the County Commissioners, by resolution, imposed a one percent tax on all retail sales made in the County and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. At the November 1989 general election, an additional one-half percent tax was approved by the voters of the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management (OBM) the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County. A receivable is recognized at year end for amounts that will be received from sales which occurred during 2022.

## NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

| | Restated Balance 12/31/2021 | Additions | Reductions | Balance 12/31/2022 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Non-Depreciable Capital Assets: | | | | |
| Land | $1,221,124 | $0 | $0 | $1,221,124 |
| Infrastructure | 147,977,719 | 4,353,976 | (153,069) | 152,178,626 |
| Construction in Progress | 1,250,000 | 4,587,110 | 0 | 5,837,110 |
| Total Non-Depreciable Capital Assets | 150,448,843 | 8,941,086 | (153,069) | 159,236,860 |
| Depreciable Capital Assets: | | | | |
| Land Improvements | 811,130 | 0 | 0 | 811,130 |
| Buildings and Improvements | 25,831,790 | 14,500 | 0 | 25,846,290 |
| Machinery and Equipment | 9,589,040 | 459,093 | (70,679) | 9,977,454 |
| Furniture and Fixtures | 1,796,748 | 0 | 0 | 1,796,748 |
| Vehicles | 7,953,982 | 603,249 | (133,958) | 8,423,273 |
| Intagible Right to Use Building & Improvements | 18,973 | 45,947 | (22,736) | 42,184 |
| Intagible Right to Use Machinery and Equipment | 3,838 | 11,800 | 0 | 15,638 |
| Total Depreciable Capital Assets | 46,005,501 | 1,134,589 | (227,373) | 46,912,717 |
| Accumulated Depreciation/Amortization: | | | | |
| Land Improvements | (769,950) | (19,364) | 0 | (789,314) |
| Buildings and Improvements | (15,816,801) | (573,910) | 0 | (16,390,711) |
| Machinery and Equipment | (7,678,265) | (386,859) | 18,239 | (8,046,885) |
| Furniture and Fixtures | (1,344,112) | (57,434) | 0 | (1,401,546) |
| Vehicles | (6,101,529) | (468,128) | 107,782 | (6,461,875) |
| Intagible Right to Use Building and Improvements ** | 0 | (24,461) | 22,736 | (1,725) |
| Intagible Right to Use Machinery and Equipment ** | 0 | (10,158) | 0 | (10,158) |
| Total Accumulated Depreciation/Amortization | (31,710,657) | (1,540,314) * | 148,757 | (33,102,214) |
| Total Depreciable Capital Assets, Net | 14,294,844 | (405,725) | (78,616) | 13,810,503 |
| Governmental Capital Assets, Net | $164,743,687 | $8,535,361 | ($231,685) | $173,047,363 |

* Depreciation expense was charged to governmental activities as follows:

| | |
|---|---|
| General Government: | |
| Legislative and Executive | $236,364 |
| Judicial | 45,864 |
| Public Safety | 588,214 |
| Public Works | 328,473 |
| Health: | |
| Alcohol, Drug, and Mental Health | 2,974 |
| Board of Developmental Disabilities | 95,425 |
| County Home | 48,207 |
| Other Health | 12,959 |
| Human Services: | |
| Child Support Enforcement | 1,904 |
| Children Services | 104,187 |
| Job and Family Services | 47,352 |
| Senior Services | 3,763 |
| Other Human Services | 24,628 |
| Total Depreciation Expense | $1,540,314 |

The value of all right to use lease assets at the end of 2022 was $57,822 with an accumulated amortization of $11,883.

** Of the current year depreciation total of $1,540,314, $34,619 is presented as general government expense on the Statement of Activities related to the County's intangible asset of a copiers and office space, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

| | Balance 12/31/2021 | Additions | Reductions | Balance 12/31/2022 |
|---|---|---|---|---|
| **Business-Type Activity:** | | | | |
| Non-Depreciable Capital Assets: | | | | |
| Land | $379,120 | $0 | $0 | $379,120 |
| Construction in Progress | 2,428,385 | 6,875,103 | 0 | 9,303,488 |
| Total Non-Depreciable Capital Assets | 2,807,505 | 6,875,103 | 0 | 9,682,608 |
| Depreciable Capital Assets: | | | | |
| Buildings and Improvements | 616,181 | 0 | 0 | 616,181 |
| Machinery and Equipment | 512,314 | 0 | 0 | 512,314 |
| Infrastructure | 9,624,227 | 0 | 0 | 9,624,227 |
| Vehicles | 65,341 | 0 | 0 | 65,341 |
| Total Depreciable Capital Assets | 10,818,063 | 0 | 0 | 10,818,063 |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | (496,500) | (12,263) | 0 | (508,763) |
| Machinery and Equipment | (467,447) | (5,098) | 0 | (472,545) |
| Infrastructure | (4,428,439) | (229,555) | 0 | (4,657,994) |
| Vehicles | (51,207) | (4,902) | 0 | (56,109) |
| Total Accumulated Depreciation | (5,443,593) | (251,818) | 0 | (5,695,411) |
| Total Depreciable Capital Assets, Net | 5,374,470 | (251,818) | 0 | 5,122,652 |
| Business-Type Capital Assets, Net | $8,181,975 | $6,623,285 | $0 | $14,805,260 |

## NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. During 2022, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 21), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

| | Coverage Limits Aggregrate | Deductible |
|---|---|---|
| General Liability | $1,000,000 each occurrence | $2,500 |
| Law Enforcement Liability | 1,000,000 each occurrence | 2,500 |
| Automobile Liability | 1,000,000 each occurrence | 2,500 |
| Errors and Omissions Liability | 1,000,000/1,000,000 | 2,500 |
| Blanket Buildings and Personal Property | 141,588,954 | 2,500 |
| Equipment Breakdown | 1,000,000 | 2,500 |
| Crime | 1,000,000 | 2,500 |
| Stop Gap Liability | 1,000,000 | 2,500 |
| Professional Liability | 1,000,000 | 2,500 |
| Medical Professional Liability | 3,000,000 | 2,500 |

Settled claims have not exceeded coverage in any of the last three years. There has been no significant reduction in coverage from the prior year.

The County pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

## Note 11 - Defined Benefit Pension Plans

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

***Net Pension Liability (Asset)/Net OPEB Liability (Asset)***

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable.* The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

### *Ohio Public Employees Retirement System (OPERS)*

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

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local | Public Safety | Law Enforcement |
|---|---|---|---|
| **2022 Statutory Maximum Contribution Rates** | | | |
| Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | ** | *** |
| | | | |
| **2022 Actual Contribution Rates** | | | |
| Employer: | | | |
| Pension **** | 14.0 % | 18.1 % | 18.1 % |
| Post-employment Health Care Benefits **** | 0.0 | 0.0 | 0.0 |
| Total Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee | 10.0 % | 12.0 % | 13.0 % |

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

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

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

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the County's contractually required contribution was $3,035,326 for the traditional plan, $82,155 for the combined plan, and $115,148 for the member-directed plan. Of these amounts, $318,360 is reported as an intergovernmental payable for the traditional plan, $8,497 for the combined plan, and $8,568 for the member-directed plan. The Special Funding Situation's contractually required contribution to OPERS was $0. There also is no intergovernmental payable as all of these employees retired during 2021.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the

Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2022, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was $36,442 for 2022. Of this amount, $1,230 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the net pension liability for STRS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | OPERS | | | | |
|---|---|---|---|---|---|
| | Traditional Plan | Combined Plan | Special Funding Situation | STRS | Total |
| Proportion of the Net Pension Liability/Asset: | | | | | |
| Current Measurement Date | 0.137868300% | 0.120096900% | 0.000110000% | 0.003985170% | |
| Prior Measurement Date | 0.138021700% | 0.123465800% | 0.000993000% | 0.004692266% | |
| Change in Proportionate Share | -0.00015340% | -0.003368900% | -0.000883000% | -0.000707096% | |
| Proportionate Share of the: | | | | | |
| Net Pension Liability | $11,995,100 | $0 | $9,570 | $885,908 | $12,890,578 |
| Net Pension Asset | 0 | 473,186 | 0 | 0 | 473,186 |
| Pension Expense | (1,890,219) | (11,524) | (103,375) | 13,254 | (1,991,864) |

2022 pension expense for the member-directed defined contribution plan was $115,148. The aggregate pension expense for all pension plans was a negative $1,888,487 for 2022.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS | | | | |
|---|---|---|---|---|---|
| | Traditional Plan | Combined Plan | Special Funding Situation | STRS | Total |
| **Deferred Outflows of Resources** | | | | | |
| Differences between expected and actual experience | $611,492 | $2,936 | $488 | $11,341 | $626,257 |
| Changes of assumptions | 1,499,975 | 23,779 | 1,197 | 106,017 | 1,630,968 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 0 | 0 | 30,828 | 30,828 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 85,613 | 18,056 | 0 | 0 | 103,669 |
| County contributions subsequent to the measurement date | 3,035,326 | 82,155 | 0 | 36,442 | 3,153,923 |
| Total Deferred Outflows of Resources | $5,232,406 | $126,926 | $1,685 | $184,628 | $5,545,645 |
| **Deferred Inflows of Resources** | | | | | |
| Differences between expected and actual experience | $263,081 | $52,924 | $210 | $3,389 | $319,604 |
| Changes of assumptions | 0 | 0 | 0 | 79,800 | 79,800 |
| Net difference between projected and actual earnings on pension plan investments | 14,267,735 | 101,444 | 11,384 | 0 | 14,380,563 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 18,982 | 5,189 | 119,554 | 173,721 | 317,446 |
| Total Deferred Inflows of Resources | $14,549,798 | $159,557 | $131,148 | $256,910 | $15,097,413 |

$3,153,923 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS | | | | |
|---|---|---|---|---|---|
| | Traditional Plan | Combined Plan | Special Funding Situation | STRS | Total |
| Year Ending December 31: | | | | | |
| 2023 | ($1,815,003) | ($29,361) | ($89,720) | ($67,106) | ($2,001,190) |
| 2024 | (4,913,128) | (41,254) | (35,255) | (68,677) | (5,058,314) |
| 2025 | (3,354,922) | (26,465) | (2,677) | (62,788) | (3,446,852) |
| 2026 | (2,269,665) | (19,111) | (1,811) | 89,847 | (2,200,740) |
| 2027 | 0 | (1,114) | 0 | 0 | (1,114) |
| Thereafter | 0 | 2,519 | 0 | 0 | 2,519 |
| Total | ($12,352,718) | ($114,786) | ($129,463) | ($108,724) | ($12,705,691) |

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

| | OPERS Traditional Plan | OPERS Combined Plan |
|---|---|---|
| Wage Inflation | 2.75 percent | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation | 2.75 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3.0 percent, simple | 3.0 percent, simple |
| Post-January 7, 2013 Retirees | 3.0 percent, simple through 2022, then 2.05 percent, simple | 3.0 percent, simple through 2022, then 2.05 percent, simple |
| Investment Rate of Return | 6.9 percent | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

| | OPERS Traditional Plan | OPERS Combined Plan |
|---|---|---|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3.0 percent, simple | 3.0 percent, simple |
| Post-January 7, 2013 Retirees | 0.5 percent, simple through 2021, then 2.15 percent, simple | 0.5 percent, simple through 2021, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-

2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 24.00% | 1.03% |
| Domestic Equities | 21.00 | 3.78 |
| Real Estate | 11.00 | 3.66 |
| Private Equity | 12.00 | 7.43 |
| International Equities | 23.00 | 4.88 |
| Risk Parity | 5.00 | 2.92 |
| Other investments | 4.00 | 2.85 |
| Total | 100.00% | 4.21% |

***Discount Rate*** The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*** The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|---|---|---|---|
| **County's proportionate share of the net pension liability (asset)** | | | |
| OPERS Traditional Plan | $31,625,609 | $11,995,100 | ($4,340,094) |
| OPERS Combined Plan | ($353,085) | (473,186) | (566,857) |
| Special Funding Situations proportior share of the net pension liability | $25,233 | 9,570 | (3,463) |

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

| | June 30, 2022 | June 30, 2021 |
|---|---|---|
| Inflation | 2.50 percent | 2.50 percent |
| Salary increases | From 2.5 percent to 12.5 percent based on age | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Investment Rate of Return | 7.00 percent, net of investment expenses, including inflation | 7.00 percent, net of investment expenses, including inflation |
| Discount Rate of Return | 7.00 percent | 7.45 percent |
| Payroll Increases | 3.00 percent | 3.00 percent |
| Cost-of-Living Adjustments (COLA) | 0.0 percent, effective July 1, 2017 | 0.0 percent, effective July 1, 2017 |

For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.Post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

| Asset Class | Target Allocation * | Long-Term Expected Rate of Return ** |
|---|---|---|
| Domestic Equity | 26.00% | 6.60% |
| International Equity | 22.00 | 6.80 |
| Alternatives | 19.00 | 7.38 |
| Fixed Income | 22.00 | 1.75 |
| Real Estate | 10.00 | 5.75 |
| Liquidity Reserves | 1.00 | 1.00 |
| Total | 100.00% | |

* Target allocation percentage is effective July 1, 2022. Target weights were phased in over a 3 month period concluding on October 1, 2022
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

***Discount Rate*** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

***Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| County's proportionate share of the net pension liability | $1,338,285 | $885,908 | $503,338 |

## Note 12 - Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability (asset).

### *Plan Description – Ohio Public Employees Retirement System (OPERS)*

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to

January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $29,609 for 2022. Of this amount, $3,065 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums will be reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an independent actuarial valuation as of that date. The County's proportion of the net OPEB asset was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | OPERS | | | |
|---|---|---|---|---|
| | Contributions made by the County | Special Funding Situation | STRS | Total |
| Proportion of the Net OPEB Asset Current Measurement Date | 0.13632660% | 0.00010300% | 0.00398517% | |
| Proportion of the Net OPEB Liability/Asset Prior Measurement Date | 0.13622145% | 0.00099300% | 0.00469227% | |
| Change in Proportionate Share | 0.00010515% | -0.00089000% | -0.00070710% | |
| Proportionate Share of the Net OPEB Asset | $4,269,954 | $3,226 | $103,189 | $4,376,369 |
| OPEB Expense | (3,666,717) | (22,046) | (21,984) | (3,710,747) |

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS | | | |
|---|---|---|---|---|
| | Contributions made by the County | Special Funding Situation | STRS | Total |
| **Deferred Outflows of Resources** | | | | |
| Differences between expected and actual experience | $0 | $0 | $1,496 | $1,496 |
| Changes of assumptions | 0 | 0 | 4,396 | 4,396 |
| Net difference between projected and actual earnings on retirement investments | 0 | 0 | 1,796 | 1,796 |
| Changes in proportionate Share and difference between County contributions and proportionate share of contributions | 55,268 | 0 | 554 | 55,822 |
| County contributions subsequent to the measurement date | 29,609 | 0 | 0 | 29,609 |
| Total Deferred Outflows of Resources | $84,877 | $0 | $8,242 | $93,119 |
| **Deferred Inflows of Resources** | | | | |
| Differences between expected and actual experience | $647,686 | $489 | $15,497 | $663,672 |
| Changes of assumptions | 1,728,430 | 1,306 | 73,171 | 1,802,907 |
| Net difference between projected and actual earnings on OPEB plan investments | 2,035,615 | 1,538 | 0 | 2,037,153 |
| Changes in Proportionate Share and Difference between County contributions and proportionate share of contributions | 0 | 19,492 | 7,239 | 26,731 |
| Total Deferred Inflows of Resources | $4,411,731 | $22,825 | $95,907 | $4,530,463 |

$29,609 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an decrease to the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | OPERS | | | |
|---|---|---|---|---|
| | Contributions made by the County | Special Funding Situation | STRS | Total |
| Fiscal Year Ending December 31: | | | | |
| 2023 | ($2,673,756) | ($16,402) | ($27,056) | ($2,717,214) |
| 2024 | (945,591) | (5,867) | (26,692) | (978,150) |
| 2025 | (444,771) | (336) | (11,223) | (456,330) |
| 2026 | (292,345) | (220) | (4,683) | (297,248) |
| 2027 | 0 | 0 | (5,955) | (5,955) |
| Thereafter | 0 | 0 | (12,056) | (12,056) |
| Total | ($4,356,463) | ($22,825) | ($87,665) | ($4,466,953) |

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| Wage Inflation | 2.75 percent | 3.25 percent |
| Projected Salary Increases, | 2.75 to 10.75 percent | 3.25 to 10.75 percent |
| | including wage inflation | including wage inflation |
| Single Discount Rate | 6.00 percent | 6.00 percent |
| Investment Rate of Return | 6.00 percent | 6.00 percent |
| Municipal Bond Rate | 1.84 percent | 2.00 percent |
| Health Care Cost Trend Rate | 5.5 percent, initial | 8.5 percent, initial |
| | 3.50 percent, ultimate in 2034 | 3.50 percent, ultimate in 2035 |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 34.00% | 0.91% |
| Domestic Equities | 25.00 | 3.78 |
| Real Estate Investment Trust | 7.00 | 3.71 |
| International Equities | 25.00 | 4.88 |
| Risk Parity | 2.00 | 2.92 |
| Other investments | 7.00 | 1.93 |
| Total | 100.00% | 3.45% |

***Discount Rate*** A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

***Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** The following table presents the County's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| County's proportionate share of the net OPEB asset | ($2,511,136) | ($4,269,954) | ($5,729,807) |
| Special Funding Situation's proportionate share of the net OPEB asset | ($1,897) | ($3,226) | ($4,329) |

***Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| County's proportionate share of the net OPEB asset | ($4,316,100) | ($4,269,954) | ($4,215,218) |
| Special Funding Situation's proportionate share of the net OPEB asset | ($3,261) | ($3,226) | ($3,185) |

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

| | June 30, 2022 | June 30, 2021 |
|---|---|---|
| Projected salary increases | Varies by service from 2.5 percent to 8.5 percent | Varies by age from 2.5 percent to 12.50 percent |
| Investment Rate of Return | 7.00 percent, net of investment expenses, including inflation | 7.00 percent, net of investment expenses, including inflation |
| Payroll Increases | 3 percent | 3 percent |
| Discount Rate of Return | 7.00 percent | 7.00 percent |
| Health Care Cost Trends | | |
| Medical | | |
| Pre-Medicare | 7.50 percent initial<br>3.94 percent ultimate | 5.00 percent initial<br>4 percent ultimate |
| Medicare | -68.78 percent initial<br>3.94 percent ultimate | -16.18 percent initial<br>4 percent ultimate |
| Prescription Drug | | |
| Pre-Medicare | 9.00 percent initial<br>3.94 percent ultimate | 6.50 percent initial<br>4 percent ultimate |
| Medicare | -5.47 percent initial<br>3.94 percent ultimate | 29.98 percent initial<br>4 percent ultimate |

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

***Discount Rate*** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

***Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| County's proportionate share of the net OPEB asset | ($95,396) | ($103,189) | ($109,865) |

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|---|---|---|
| County's proportionate share of the net OPEB asset | ($107,032) | ($103,189) | ($98,338) |

## NOTE 13 - OTHER EMPLOYER BENEFITS

### A. Deferred Compensation Plan

Washington County employees and elected officials may participate in a state-wide deferred compensation plan created in accordance with Internal Revenue Code Section 457 offered by the State of Ohio. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

### B. Compensated Absences

County employees follow various personnel policies as established by the County Commissioners, union agreements, or departmental mandates. Some employees of the Board of Developmental Disabilities, Engineer, Job and Family Services, Children Services, and Child Support Enforcement departments are represented by union agreements. Employees of Mental Health, Job and Family Services (non-union), Sheriff, Engineer (non-union), Board of Developmental Disabilities (non-union), Children's Services (non-union), and County Home departments follow their own departmental policies. All other County employees follow the Commissioners policy.

Each employee accrues 4.6 hours of sick time for each two week pay period worked. Accrual continues during periods of approved paid leave. Unused sick leave is cumulative without limit. Job and Family Services, the Board of Developmental Disabilities (union employees), and Child Support Enforcement employees earn annual leave based on their length of service and can be converted to extended illness leave at the rate of three days credit for each two days of unused leave converted. Upon retirement, with 10 years of service with the County, the State, or any of its political subdivisions, all employees, except for Job and Family Services, Child Support Enforcement (union), and Children Services (hired prior to July 3, 2013) are paid 25% of their sick leave up to a maximum of 240 hours. Board of Developmental Disabilities non-union employees, with 10 years of service with the County, are paid 50% of their sick leave up to a maximum of 480 hours. Board of Developmental Disabilities union employees are paid 25% of their annual leave balance not to exceed 480 hours. Children's Services employees hired prior to July 3, 2013, with 10 years of service with the County, are paid 100% of their sick balances that they had accrued at June 22, 2013. In addition to each employee's June 22, 2013 sick leave balance, they are paid 25% of the value of the sick leave accrued but unused between June 23, 2013 and the time of retirement or 240 hours; the lessor of the two numbers. The maximum of such payment shall not exceed 1,000 hours. Child Support Enforcement union employees are paid their total hours times 2/3 times 50% of the final rate of pay up to a maximum of 500 hours. Job and Family Services employees are paid their total hours times 2/3 times 50% of the final rate of pay up to a maximum of three times the employee's annual leave entitlement.

Unused vacation time and compensatory time are paid to a terminated employee at varying rates depending on length of service and department policy.

*C. Insurance Benefits*

During 2022, the County participated with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO) (a risk-sharing pool – see Note 21). CEBCO charges a fixed premium per month per enrolled employee. The premiums, along with an administrative charge, are paid into each participating County funds and, in turn, the premiums are paid to CEBCO. Premiums charged by CEBCO are based upon the County's claims experience. An excess coverage policy covers annual individual claims in excess of $100,000 with an unlimited maximum. CEBCO retains liability for claims that exceed the expected losses and charged premiums.

The County provides employee medical/surgical benefits to employees, except Washington County Highway and Washington County Sheriff's Department, through Anthem Blue Cross/Blue Shield. The plan has $1,500 single and $3,000 family deductible limits. Except for employees of the Mental Health, Soldiers Relief, and Health Department, the County pays 80 percent of the total monthly premium for both single and family coverage. The County pays 100 percent for both single and family coverage for employees of the Mental Health Department and Soldiers Relief. The County pays 81 percent for both single and family coverage for employees of the Health Department. Premiums are paid from the same funds that pay the employee's salaries.

The County provides employee life insurance and accidental death and dismemberment insurance to employees, except for life insurance for Board of Developmental Disabilities, through Dearborn National in the amount of $10,000 each employee and $30,000 for management employees.

Dental insurance is provided to employees of the Department of Job and Family Services, Child Support Enforcement Agency, and the Children Services Board. Vision insurance is provided to employees of the Department of Job and Family Services and the Child Support Enforcement Agency. Dental insurance is provided to employees of the Board of Developmental Disabilities through CBA Benefit Services.

## NOTE 14 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during the year consisted of the following:

| | Amount | 12/31/21 | Additions | Deductions | 12/31/22 | One Year |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| General Obligation Bonds: | | | | | | |
| 2011 - Various Purpose Refunding Bonds: | | | | | | |
| Term - 2.90% | $115,000 | $60,000 | $0 | $60,000 | $0 | $0 |
| Term - 3.60% | 250,000 | 250,000 | 0 | 0 | 250,000 | 60,000 |
| Bond Premium | | 5,995 | 0 | 1,240 | 4,755 | 0 |
| Bond Discount | | (3,767) | 0 | (779) | (2,988) | 0 |
| 2012 - Capital Facilities Jail Refunding Bonds: | | | | | | |
| Serial - 1%-2.50% | 2,055,000 | 495,000 | 0 | 250,000 | 245,000 | 245,000 |
| Bond Premium | | 1,611 | 0 | 805 | 806 | 0 |
| Total Refunding Bonds | | 808,839 | 0 | 311,266 | 497,573 | 305,000 |
| 2020 USDA Bonds from Direct Borrowing - 2.25% | 132,600 | 120,600 | 0 | 12,200 | 108,400 | 12,500 |
| 2022 County Facilities Bond - 3.95% | 14,200,000 | 0 | 14,200,000 | 232,901 | 13,967,099 | 717,357 |
| Total General Obligation Bonds | | 929,439 | 14,200,000 | 556,367 | 14,573,072 | 1,034,857 |
| OPWC Loans: | | | | | | |
| *From Direct Borrowings:* | | | | | | |
| 2019 - Road 14 Paving - 0% | 360,430 | 288,344 | 0 | 288,344 | 0 | 0 |
| 2021 - Base Stabilization and Resurfacing - 0% | 400,000 | 400,000 | 0 | 40,000 | 360,000 | 20,000 |
| 2022 - CR-9, 20 and 333 Resurfacing - 0% | 131,934 | 0 | 131,934 | 13,194 | 118,740 | 6,597 |
| 2022 - CR-3,30,348 and 446 Resurfacing - 0% | 398,592 | 0 | 398,592 | 0 | 398,592 | 0 |
| Total OPWC Loans | | 688,344 | 530,526 | 341,538 | 877,332 | 26,597 |
| Financed Purchases | | 55,872 | 0 | 55,872 | 0 | 0 |
| Net Pension Liability: | | | | | | |
| OPERS | | 20,585,052 | 0 | 8,580,382 | 12,004,670 | 0 |
| STRS | | 599,947 | 285,961 | 0 | 885,908 | 0 |
| Total Net Pension Liability | | 21,184,999 | 285,961 | 8,580,382 | 12,890,578 | 0 |
| Leases | | 22,811 | 57,747 | 34,619 | 45,939 | 25,245 |
| Compensated Absences - Sick Leave | | 372,515 | 64,865 | 42,733 | 394,647 | 28,067 |
| Total Governmental Activities | | $23,253,980 | $15,139,099 | $9,611,511 | $28,781,568 | $1,114,766 |

*(continued)*

| | Original Issue Amount | Principal Outstanding 12/31/21 | Additions | Deductions | Principal Outstanding 12/31/22 | Amounts Due within One Year |
|---|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | | |
| General Obligation Bonds: | | | | | | |
| *From Direct Placements:* | | | | | | |
| 1997 - FHA Sewer - 4.5% | $873,000 | $569,500 | $0 | $23,500 | $546,000 | $24,000 |
| OPWC Loans: | | | | | | |
| *From Direct Borrowings:* | | | | | | |
| 2011 - Barlow Vincent Sanitary System Improvements Loan - 0% | 168,053 | 100,833 | 0 | 8,403 | 92,430 | 4,201 |
| 2012 - Woodlawn Acres Sewer Improvements Loan - 0% | 440,512 | 330,383 | 0 | 14,683 | 315,700 | 7,342 |
| Total OPWC Loans From Direct Borrowings | | 431,216 | 0 | 23,086 | 408,130 | 11,543 |
| OWDA Loans: | | | | | | |
| *From Direct Borrowings:* | | | | | | |
| 2004 - OWDA Sewer Loan - 3.41% | 283,227 | 46,711 | 0 | 18,212 | 28,499 | 9,340 |
| 2009 - OWDA Riverview Sewer Rehabilitation Loan - 1.50% | 283,024 | 123,444 | 0 | 14,636 | 108,808 | 7,400 |
| 2010 - OWDA Lift Station and Sewer Improvements Loan - 1.50% | 227,595 | 116,595 | 0 | 11,509 | 105,086 | 5,819 |
| 2011 - OWDA Devola Lift Station and Improvements Loan - 3.20% | 1,510,999 | 874,427 | 0 | 75,487 | 798,940 | 38,652 |
| 2019 - OWDA Terri Lane Pump Station Replecement Loan - 2.92% | 195,273 | 176,591 | 0 | 7,860 | 168,731 | 4,016 |
| 2020 - OWDA Devola Sanitary Sewer Improvement Loan - 0% | 2,622,354 | 1,868,744 | 370,153 | 262,235 | 1,976,662 | 0 |
| Total OWDA Loans From Direct Borrowings | | 3,206,512 | 370,153 | 389,939 | 3,186,726 | 65,227 |
| Compensated Absences - Sick Leave | | 762 | 242 | 0 | 1,004 | 0 |
| Asset Retirement Obligations | | 210,000 | 0 | 0 | 210,000 | 0 |
| Total Business-Type Activities | | $4,417,990 | $370,395 | $436,525 | $4,351,860 | $100,770 |

A. Governmental Activities

The 2011 Various Purpose Refunding Bonds are unvoted and are being retired from the Bond Retirement Debt Service Fund with rental payments received from the Job and Family Services Special Revenue Fund and transfers from the General Fund. The 2012 Capital Facilities Jail Refunding Bonds are unvoted and will be retired from the Bond Retirement Debt Service Fund with general property tax revenues. The OPWC loans are unvoted and will be retired from the Motor Vehicle and Gasoline Tax Special Revenue Fund. The leases are being paid for by the General Fund. Compensated absences for sick leave liabilities will be paid from the General Fund and the Mental Health, Job and Family Services, Child Support Enforcement Agency, Motor Vehicle and Gasoline Tax, County Home, Board of Developmental Disabilities, Children Services, Dog and Kennel, 911, Court Corrections, Retired Senior Volunteer Program, and Real Estate Assessment Special Revenue Funds. There are no repayment schedules for the net pension liabilities. However, employer pension contributions are made from the following funds: the General Fund and the Mental Health, Job and Family Services, Child Support Enforcement Agency, Motor Vehicle and Gasoline Tax, County Home, Board of Developmental Disabilities, Dog and Kennel, 911, Court Corrections, Sheriff, Disaster Services, Retired Senior Volunteer Program, and Real Estate Assessment Special Revenue Funds.

2011 Refunding Bonds:

On November 11, 2011, the County issued refunding bonds of $1,670,000 consisting of $1,195,000 in serial bonds and $475,000 in term bonds. The final payment on the serial bonds occurred during 2018. The bonds were sold at a premium and discount of $18,605 and $11,690, respectively, and will be amortized over the term of the bonds. These bonds were issued to refund various purpose general obligation bonds. The refunded bonds have been called and fully repaid.

The term bonds maturing on December 1, 2022, were subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, on December 1, 2022, in the amount of $55,000. The remaining principal balance of $60,000 is scheduled to be paid at the stated maturity of the corresponding Term Bond.

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, on December 1 of the year shown in, and according to, the following schedule:

| Year | Amount |
|---|---|
| 2023 | $60,000 |
| 2024 | 60,000 |
| 2025 | 65,000 |
| 2026 | 65,000 |

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding Term Bonds.

2012 Refunding Bonds:

On April 11, 2012, the County issued refunding bonds of $2,180,000 consisting of $2,055,000 in serial bonds and $125,000 in term bonds. The final payment on the term bonds occurred during 2014. The refunding bonds will mature on December 1, 2023. These bonds were issued to advance refund part of the 2004 Capital Facilities Jail Bonds. The advance refunded portion of the bonds, as well as the unamortized premium and discount of these advance refunded bonds, were removed from the financial statements of the County. The refunded bonds were retired in 2014.

Principal and interest requirements to retire the general obligation bonds outstanding at December 31, 2022, are as follows:

| | Various Purpose Refunding Bonds | | |
|---|---|---|---|
| Year Ended | Term | | |
| December 31, | Principal | Interest | Total |
| 2023 | $60,000 | $9,000 | $69,000 |
| 2024 | 60,000 | 6,480 | 66,480 |
| 2025 | 65,000 | 3,510 | 68,510 |
| 2026 | 65,000 | 3,510 | 68,510 |
| | $250,000 | $22,500 | $272,500 |

| Year Ended December 31, | Capital Facilities Jail Refunding Bonds Serial Principal | Interest | Total |
|---|---|---|---|
| 2023 | $245,000 | $6,125 | $251,125 |

USDA Bonds:

During 2020, the County entered into a direct borrowing bond agreement with the United States Department of Agriculture (USDA) in the amount of $132,600 at 2.25 percent interest for the purpose of purchasing equipment for the Engineers department. Principal payments are due July 1 of each year through 2030.

Principal and interest requirements to retire the direct borrowing general obligation bonds outstanding at December 31, 2022, are as follows:

| Year Ended December 31, | USDA Bonds Principal | Interest | Total |
|---|---|---|---|
| 2023 | $12,500 | $2,439 | $14,939 |
| 2024 | 12,800 | 2,158 | 14,958 |
| 2025 | 13,100 | 1,870 | 14,970 |
| 2026 | 13,400 | 1,575 | 14,975 |
| 2027 | 13,700 | 1,274 | 14,974 |
| 2027-2030 | 42,900 | 1,944 | 44,844 |
| | $108,400 | $11,260 | $119,660 |

2022 County Facilities Bond:

During 2022, the county issued bonds in the amount of $14,200,000 for the purpose of constructing, acquiring, repairing, renovating, replacing, and improving County facilities. At a rate of 3.95 percent interest, the bond will mature in 2037. Principal and interest requirement to retire the direct borrowing general obligation bonds outstanding at December 31,2022 are as follows:

| Year Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $717,357 | $538,805 | $1,256,162 |
| 2024 | 746,214 | 509,954 | 1,256,168 |
| 2025 | 776,227 | 479,936 | 1,256,163 |
| 2026 | 807,449 | 448,716 | 1,256,165 |
| 2027 | 839,926 | 416,236 | 1,256,162 |
| 2028-2032 | 4,734,409 | 1,546,402 | 6,280,811 |
| 2033-2037 | 5,345,517 | 516,577 | 5,862,094 |
| | $13,967,099 | $4,456,626 | $18,423,725 |

OPWC Loans:

The County has entered into contractual agreements for road improvements from OPWC. Under the terms of these agreements, OPWC will reimburse, advance, or directly pay the construction costs of the approved projects. OPWC will capitalize administrative costs and construction interest and add them to the total amount of the final loans.

During 2019, the County entered into a loan with the Ohio Public Works Commission (OPWC) in the amount of $360,430 at zero percent interest for the purpose of resurfacing certain county roads. Principal payments are due January 1 and July 1 of each year through 2030.

During 2021, the County entered into a loan with the Ohio Public Works Commission (OPWC) in the amount of $400,000 at zero percent interest for the purpose of base stabilization and resurfacing of certain county roads. Principal payments are due January 1 and July 1 of each year through 2032.

The County's outstanding OPWC loans from direct borrowings related to governmental activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that each payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Principal requirements to retire the OPWC loans outstanding at December 31, 2022, are as follows:

| Year Ended December 31, | OPWC Loans Principal |
|---|---|
| 2023 | $46,527 |
| 2024 | 93,054 |
| 2025 | 93,054 |
| 2026 | 93,054 |
| 2027 | 93,054 |
| 2028-2032 | 438,667 |
| 2033 | 19,922 |
| | $877,332 |

*B. Financed Purchases*

In the prior years, the County entered into an agreement to purchase radio equipment. This agreement is, in substance, is reflected as a financed purchase in the financial statements. Payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balance for the governmental funds.

The final future minimum financed purchase payment was made in 2022.

*C. Leases*

The County has outstanding agreement to lease copiers and office space. Due to the implementation of GASB Statement 87, these leases plus existing prior year capital leases have met the criteria of leases thus requiring them to be recorded by the County. The future lease payments were discounted based on the interest rate implicit in the lease or using the County's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $25,245 | $666 | $25,911 |
| 2024 | 20,694 | 207 | 20,901 |
| | $45,939 | $873 | $46,812 |

*E. Business-Type Activity*

General Obligation Bonds:

In 1997, the County issued General Obligation Bonds through direct placement with Farmers' Home Administration payable from the Sewer Enterprise Fund in the amount of $873,000, for improvements to the County's sewer system. The bonds mature in 2037 and will be repaid through user fees. Principal and interest requirements to retire the County's general obligation bonds outstanding at December 31, 2022, are:

| Year Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $24,000 | $24,570 | $48,570 |
| 2024 | 26,000 | 23,554 | 49,554 |
| 2025 | 27,000 | 22,320 | 49,320 |
| 2026 | 28,500 | 21,105 | 49,605 |
| 2027 | 30,000 | 19,823 | 49,823 |
| 2028-2032 | 177,500 | 77,304 | 254,804 |
| 2033-2037 | 233,000 | 32,637 | 265,637 |
| Total | $546,000 | $221,313 | $767,313 |

OPWC Loans:

The Ohio Public Works Commission (OPWC) related to the 2011 Barlow Vincent Sanitary System Improvements loan will be repaid using operating revenues of the sewer district. The 2012 Woodlawn Acres will be repaid using revenue from a special assessment assessed upon property owners. In the event of default of the property owners, the County would pay the loan using the operating revenues of the sewer district. The loans are recorded in the Sewer Enterprise Fund.

The County's outstanding OPWC loans from direct borrowings contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the County's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Principal requirements to maturity for OPWC loans from direct borrowings are as follows:

| Year Ended December 31, | Principal |
|---|---|
| 2023 | $23,087 |
| 2024 | 23,087 |
| 2025 | 23,087 |
| 2026 | 23,087 |
| 2027 | 23,087 |
| 2028-2032 | 115,431 |
| 2033-2037 | 81,820 |
| 2038-2042 | 73,418 |
| 2043-2044 | 22,026 |
| Total | $408,130 |

OWDA:

The 2004 Ohio Water Development Authority (OWDA) Sewer Loan relates to a project for engineering design of various sewer projects. The loan is payable solely from net revenues along with a onetime charge of $1,000 per household to the residents in the Oxbow area. The loan is payable through 2024.

The 2009 Ohio Water Development Authority (OWDA) Riverview Sewer Rehabilitation Loan relates to the rehabilitation of sewer lines in the Riverview Community. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan is payable through 2030.

The 2010 Ohio Water Development Authority (OWDA) Lift Station and Sewer Improvements Loan relates to the rehabilitation of sewer lines for the Oxbow Sanitary Sewer System. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan is payable through 2031.

The 2011 Ohio Water Development Authority (OWDA) Devola Lift Station and Improvements Loan relates to the rehabilitation of sewer lines for the Devola Sanitary Sewer System. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The 2019 Ohio Water Development Authority (OWDA) Terri Lane Pump Station Replacement Loan relates to the replacement of sewer pumps at the Terri Lane Pump Station. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The 2020 Ohio Water Development Authority (OWDA) Devola Sanitary Sewer Improvement Loan relates to the addition of sewer pumps in Devola. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. The amount drawn on the loan in 2022 was $1,976,662. The loan has not been fully drawn or finalized; therefore no amortization schedule is set.

The County's outstanding OWDA loans from direct borrowings contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The County has pledged future customer revenues, net of specified operating expenses, to repay $5,122,472 (original issue amount) in OWDA loans issued from 2004 to 2021. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from customer net revenues and are payable through 2039. Net revenues include operating revenues received by the sewer utility less operating expenses other than depreciation expense. Annual principal and interest payments on the loans as compared to net future revenues are not estimable but are expected to be less than net revenues in each year the loans are outstanding. However, during 2022 the principal and interest payments on the loans were $425,478, net revenues were ($541,956) and total revenues were $1,285,587. The total principal and interest remaining to be paid on the loans is $1,469,687.

The following is a summary of the County's future annual principal and interest requirements to retire the loans, except the Devola Sanitary Sewer Improvement Loan:

| Year Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $65,226 | $16,478 | $81,704 |
| 2024 | 133,277 | 30,313 | 163,590 |
| 2025 | 117,314 | 26,843 | 144,157 |
| 2026 | 120,606 | 23,714 | 144,320 |
| 2027 | 123,997 | 20,494 | 144,491 |
| 2028-2032 | 568,133 | 51,335 | 619,468 |
| 2033-2037 | 56,512 | 8,286 | 64,798 |
| 2038-2039 | 24,999 | 919 | 25,918 |
| Total | $1,210,064 | $178,382 | $1,388,446 |

Asset Retirement Obligations:

The County will pay the asset retirement obligations (ARO) from the Sewer Enterprise Fund. For additional information related to the ARO, see Note 19.

Compensated Absences:

The County will pay compensated absences from the Sewer Enterprise Fund.

*E. Debt Margin*

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The County's total debt margin was $32,601,458 and the unvoted debt margin was $4,700,434 at December 31, 2022.

## NOTE 15 - INTERFUND TRANSFERS AND BALANCES

Interfund balances, as of December 31, 2022, consist of the following individual interfund receivables and payables:

| | Interfund Receivable | | |
|---|---|---|---|
| Interfund Payable | General | Other Nonmajor Governmental | Total |
| Major Funds: | | | |
| General Fund | $0 | $3,128 | $3,128 |
| Motor Vehicle and Gasoline Tax | 797 | 0 | 797 |
| Board of Developmental Disabilities | 7,750 | 0 | 7,750 |
| County Home | 24,443 | 0 | 24,443 |
| Sewer Enterprise Fund | 1,900,000 | 0 | 1,900,000 |
| Other Nonmajor Funds | 529,851 | 141,876 | 671,727 |
| | $2,462,841 | $145,004 | $2,607,845 |

The interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions were recorded in the accounting system, and payments between funds were made.

Interfund transfers for the year ended December 31, 2022, consisted of the following:

| | Transfer In | | |
|---|---|---|---|
| | Major Funds | | |
| Transfer Out | Sewer | Other Nonmajor Funds | Total |
| General Fund | $3,342,717 | $3,486,659 | $6,829,376 |
| Total All Funds | $3,342,717 | $3,486,659 | $6,829,376 |

Transfers were used to move revenues from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTE 16 - SIGNIFICANT COMMITMENTS

### *A. Contractual Commitments*

As of December 31, 2022, the County had a contractual purchase commitment as follows:

| Project | Purchase Commitment | Amount Paid as of 12/31/2022 | Amount Remaining on Contract |
|---|---|---|---|
| ***County Building Energy Fund:*** | | | |
| Phase 1 County Annex | $14,188,034 | $3,498,105 | $10,689,929 |
| ***Capital Projects Fund:*** | | | |
| Phase 1 County Annex | 2,339,074 | 2,339,005 | 69 |
| Total Governmental Funds | $16,527,108 | $5,837,110 | $10,689,998 |
| ***Sewer Fund:*** | | | |
| Devola Sewer Improvements | $18,813,200 | $9,303,488 | $9,509,712 |

*B.* *Encumbrances*

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|---|---|
| Governmental Funds: | |
| General | $1,723,634 |
| Motor Vehicle and Gasoline Tax | 1,415,524 |
| Board of Developmental Disabilities | 160,065 |
| County Home | 114,206 |
| American Rescue Plan | 45,000 |
| Nonmajor Governmental Funds | 12,732,898 |
| Total Governmental Funds | 16,191,327 |
| Enterprise Fund: | |
| Sewer | 15,194,473 |
| Total | $31,385,800 |

## NOTE 17 - FINANCIAL GUARANTEE

In April 2014, Washington County guaranteed one year of debt payments equal to $55,291.79 of the Southeastern Ohio Port Authority's Rural Industrial Park Loan of $484,970. The guarantee will remain in effect until the debt is paid in full. The Southeastern Ohio Port Authority is a discretely presented component unit of the County. The County assumes the responsibility to provide financial support to the Authority and has guaranteed the debt of the Authority. The Rural Industrial Park Loan was issued for the completion of the Ingenuity Center located at 300 Commerce Drive in Marietta, Ohio. The Center was built to bring job opportunities to the area by offering manufacturing, distribution, and office space for lease. Under the agreement, principal and interest payments are not required until September 1, 2019, unless the Center is leased. In the event that the Authority cannot lease the Center in order to make the loan payments, the County will be responsible for one year of payments. The County entered into an agreement with the Authority to receive reimbursements for any payments that may be made. The Loan is secured by the Center's mortgage. If the Authority cannot make the loan payments and a sale of the property takes place, the County will be reimbursed for the payments made with proceeds received in excess of the balance owed by the Authority. It was determined that it was not likely the County would be required to pay the loan payments and, therefore, no liability was recognized in the statements. On April 12, 2016, the Center was leased and the Authority began receiving rent.

## NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

*A. Buckeye Hills Regional Council*

The Buckeye Hills Regional Council serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen member board of directors. The board is composed of one County Commissioner from each county, one member from the City of Athens Council, one member from the City of Marietta Council, four at-large members appointed from the ten government members, and one member from the minority sector. The board has total control over budgeting, personnel, and all other financial matters. The Council administers County Community Development Block Grant and Transportation Improvement Program monies. During 2022, the Council received $535,916 in administrative fees from Washington County. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

*B. Southeastern Ohio Joint Solid Waste Management District*

The County is a member of the Southeastern Ohio Joint Solid Waste Management District which consists of Washington, Guernsey, Monroe, Morgan, Muskingum, and Noble Counties. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal for the District. The District was created in 1989 as required by the Ohio Revised Code.

The Southeastern Ohio Joint Solid Waste Management District is governed and operated through three groups. An eighteen-member board of directors, composed of the three Commissioners from each County, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2022. No future contributions by the County are anticipated. A thirty-one member policy committee composed of five members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

*C. Washington-Morgan Community Action Corporation*

The Community Action Corporation of Washington-Morgan Counties is operated as a non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program, the Community Action Bus Line (CABL), the Child Development Program, the Senior Nutrition Program, Women, Infants and Childrens' Supplemental Nutrition Program, the Home Weatherization Assistance and Energy Program, the Workforce Innovation and Opportunity Act Program, Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program, and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member council. The council is composed of the Mayor of the City of Marietta, the Mayor of the City of Belpre, the Washington County Recorder, one Barlow Township Trustee, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan

Counties selected by outreach workers. Currently, the Corporation, by contract with the City of Marietta and Washington and Morgan Counties, provides administrative services to these governments in specific programs. The continued existence of the Corporation is not dependent on the County's continued participation and no equity interest exists.

*D. Washington County Family and Children First Council*

The Washington County Family and Children First Council provide services to multi-need youth in Washington County. Members of the Council include the Washington County Health Department, the Regional Office of Youth Services, the Washington County Juvenile Court, the Washington County Mental Health Board, Washington County Children Services, the General Health District, a representative from the City of Marietta Health Department, and a representative of the Washington County School Districts. The operation of the Council is controlled by an advisory committee which consists of a representative from each agency. In 2022, the County contributed $306,017.

*E. Wood, Washington, and Wirt Planning Commission*

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and City governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives and one Washington County Commissioner serves on the Commission. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. In 2022, the County contributed $5,940 to the Commission. The continued existence of the Commission is not dependent on the County's continued participation and no equity interest exists.

*F. Buckeye Hills Resource Conservation and Development Council (RC&D)*

RC&D is a 501 (c) (3) non-profit entity, serving a nine county region in southeastern Ohio including Athens, Belmont, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the nine counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 29 members that include three representatives from each county and one representative from each conservancy district. The Executive Council exercises total control over the operations of RC&D including budgetary, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Executive Council. During 2022, the Council did not receive administrative fees from Washington County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

*G. Mid-East Ohio Regional Council (MEORC)*

The Mid-East Ohio Regional Council is a council of governments created pursuant to Ohio Revised Code Chapter 167. Participating counties include Belmont, Carroll, Coshocton, Fairfield, Guernsey, Harrison, Hocking, Holmes, Jefferson, Knox, Licking, Monroe, Morgan, Muskingum, Noble, Perry, Tuscarawas, and Washington Counties. MEORC was created to provide the best possible services to persons with developmental disabilities in their respective counties. Each county has representation on the MEORC board. Member counties have a contract between its county BDD board and the MEORC for MEORC to provide supported living services or housing to eligible persons in the member counties. To obtain financial information, write to the Mid-East Ohio Regional Council, Cathy Henthorn, who serves as Director of Financial Operations, 1 Avalon Road, Mt. Vernon, Ohio 43050.

*H. Ohio Valley Employment Resource (OVER)*

The Ohio Valley Employment Resource (OVER) is a jointly governed organization whereby the three county commissioners from Monroe, Morgan, Noble, and Washington Counties serve on the governing board. OVER was formed for the purpose of creating and providing employment and training programs in response to local need, a part of which is implementation of the Workforce Innovation and Opportunity Act, P.L. 113-128. The continued existence of OVER is not dependent upon the County's continued participation and no equity interest or debt exists.

*I. Regional Child Abuse Prevention Council*

The Regional Child Abuse Prevention Council of the Ohio Children's Trust Fund is a jointly governed organization whereby up to two County Prevention Specialists may be appointed by the Washington County Commissioners to sit on the council. Currently, Washington County has one appointee. The Regional Child Abuse Prevention Council is the state's sole public funding source dedicated to preventing child abuse and neglect. Each regional council is directed by a regional prevention coordinator or coordinating entity and led by county prevention specialists. The continued existence of the Regional Child Abuse Prevention Council is not dependent upon the County's continued participation and no equity interest or debt exists.

## NOTE 19 - ASSET RETIREMENT OBLIGATIONS

The Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. Engineers associated with the County's sewer improvement projects estimate these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of $210,000 associated with the County waste water treatment facilities was estimated by the County's contracted engineers. The useful life of these facilities is 40 years.

## NOTE 20 - RELATED ORGANIZATION

The Washington County Public Library is statutorily created as a separate and distinct political subdivision of the State governed by a board of trustees consisting of seven members. The Washington County Commissioners appoint three members and the Court of Common Pleas appoints the remaining members. The County made no contributions to the Public Library. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the County for operational subsidies. Although the County does serve as the taxing authority of the Library, this is strictly a ministerial function. Once the board of trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree.

## NOTE 21 - INSURANCE PURCHASING POOLS

*A. County Risk Sharing Authority, Inc. (CORSA)*

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2022 was $290,701.

*B. County Employee Benefits Consortium of Ohio, Inc. (CEBCO)*

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

The business and affairs of the consortium are governed by a board composed of representatives of counties that participate in the program. Two thirds of the directors are County Commissioners of the member Counties and one third are employees of member Counties. Each member of the consortium is entitled to one vote. At all times one director is required to be a member of the board of directors of the County Commissioners Association of Ohio and another is required to be a board member of the County Risk Sharing Authority, Inc.

Upon withdrawal from the Consortium, the County will be responsible for paying the funding rates and assessments, if any, that were applicable during the term of the agreement and shall remain responsible for any assessments made by the board for one or more years of the County's participation in CEBCO.

## NOTE 22 - FOOD STAMPS

The County's Department of Job and Family Services distributes, through contracting issuance centers, federal food stamps to entitled recipients within Washington County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient.

## NOTE 23 - CONTINGENT LIABILITIES

*A. Federal and State Grants*

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

*B. Litigation*

Lawsuits are pending against the County. Based upon information provided by the County, any potential liability and effect on the financial statements, if any, is not determinable at this time.

## NOTE 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

## NOTE 25 - SOUTHEASTERN OHIO PORT AUTHORITY

*A. Reporting Entity*

The Southeastern Ohio Port Authority, Washington County, (the Authority), was created during 2003 by the Washington County Commissioners pursuant to Sections 4582.202 through 4582.58, inclusive of the Ohio Revised Code, for the purpose of promoting the manufacturing, commerce, distribution, research, and development interests of Southeastern Ohio, including rendering financial and other assistance to such enterprises situated in the region. Other purposes include inducing the location in Southeastern Ohio of other manufacturing, commerce, distribution, and research entities to purchase, subdivide, sell and lease real property in Southeastern Ohio. The Authority also strives to erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Southeastern Ohio.

The Authority's Board of Directors consists of the number of Directors it deems necessary and they are appointed by the Washington County Commissioners. As such, it is considered a discretely presented component unit of Washington County. Currently, fifteen Directors serve on the Board.

The Authority's management believes these financial statements present all activities for which the Southeastern Ohio Port Authority is financially accountable.

*B. Summary of Significant Accounting Policies*

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

Basis of Presentation

The Authority's financial statements consist of government-wide statements, including a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Measurement Focus

The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

***Revenues - Exchange and Non-exchange*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to these items are explained in Notes F and G.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources consist of pension, OPEB, and leases, and are reported on the statement of net position.

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

Budgetary Process

The Ohio Revised Code requires that the Authority's Board of Directors prepare an annual budget.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

***Encumbrances*** The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

Cash and Cash Equivalents

Cash assets are maintained in non-interest bearing and interest-bearing checking and money market accounts.

The Authority had no investments during the year or at year end.

Receivables and Payables

Receivables and payables are recorded on the Authority's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and, in the case of receivables, collectability.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority does not have any investments; so all cash balances are included in the statement of cash flows.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. All capital assets are depreciated, except land. Depreciation is computed using the straight-line method over five years of the useful lives for machinery and equipment and over 50 years for buildings.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the employer will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "leave benefits payable", rather than long term liabilities, as the balances are to be used by employees in the year following the year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Authority has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the Authority's termination policy. The Authority records a liability for accumulated, unused sick leave for all employees when they start working per the Authority's employee policy.

Pension/OPEB

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and liabilities used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority does not have restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority. Revenues and expenses not meeting these definitions are reported as non-operating.

Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and that are either unusual in nature or infrequent in occurrence. The Authority did not have any extraordinary or special items in 2022.

C. *Deposits and Investments*

State statutes classify monies held by the Port Authority into three categories.

1. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Port Authority Treasury, in commercial accounts payable or that can be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

2. Inactive deposits are public deposits that the Port Authority has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Port Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC).

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

***Deposits*** Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $250,000 of the Authority's total bank balances of $371,854 were covered by the FDIC. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Authority to a successful claim by the FDIC.

The Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The Authority's financial institution participates in OPCS. Deposits are insured by the FDIC or collateralized through OPCS.

*D. <u>Capital Assets</u>*

Capital assets activity for the fiscal year ended December 31, 2022, was as follows:

| | Balance 12/31/2022 | Additions | Reductions | Balance 12/31/2022 |
|---|---|---|---|---|
| Non-Depreciable Capital Assets: | | | | |
| Land | $924,389 | $31,755 | $0 | $956,144 |
| Construction in Progress | 0 | 9,808 | 0 | 9,808 |
| Total Non-Depreciable Capital Assets | 924,389 | 41,563 | 0 | 965,952 |
| Depreciable Capital Assets: | | | | |
| Machinery and Equipment | 8,870 | 0 | 0 | 8,870 |
| Total Depreciable Capital Assets | 8,870 | 0 | 0 | 8,870 |
| Accumulated Depreciation: | | | | |
| Machinery and Equipment | (2,870) | 0 | 0 | (2,870) |
| Total Accumulated Depreciation | (2,870) | 0 | 0 | (2,870) |
| Total Depreciable Capital Assets, Net | 6,000 | 0 | 0 | 6,000 |
| Capital Assets, Net | $930,389 | $41,563 | $0 | $971,952 |

During 2022, the Authority began planning and assessments for the acquisition of a new project site. This activity is reflected as additions to CIP in the chart above.

*E. Risk Management*

The Authority 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. The Authority contracts with Peoples Insurance Agency who, on behalf of the Authority, negotiates property and casualty insurance coverage with Cincinnati Insurance Company and CNA Insurance Company for management and professional insurance coverage. The following lists the coverage limits and deductibles:

| | |
|---|---|
| Property ($500 Deductible): | |
| Contents | $50,000 |
| Crime ($250 Deductible): | |
| Employee Dishonesty/Forgery or Alteration | 50,000 |
| General Liability: | |
| Each Occurrence | 1,000,000 |
| Aggregate Limit | 2,000,000 |
| Products-Completed Operations Aggregate Limit | 2,000,000 |
| Personal & Advertising Injury Limit | 1,000,000 |
| Hired and Non-owned Auto Liability | 1,000,000 |
| Fire Damage Limit | 100,000 |
| Medical Expense Limit | 5,000 |
| Directors & Officers Liability: | |
| Each Occurrence | 1,000,000 |
| Scheduled Retention | 2,500/5,000 |

Bond Coverage for the Secretary/Treasurer is included in Non-Profit Organization and Management Liability Insurance Policy.

There were no significant reductions in coverage from prior years. Settlements have not exceeded coverage in any of the last three years.

The Authority pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

*F. Defined Benefit Pension Plan*

***Net Pension Liability***

The net pension asset and liability reported on the statement of net position represents an assets and a liability, respectively, to employees for pensions. Pensions are a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension asset and liability represent the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension asset and liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes the asset and liability is solely the asset and obligation, respectively, of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's excess funded or unfunded benefits is presented as a long-term net pension asset or liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued payroll taxes on the accrual bases of accounting.

***Plan Description***

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>Members not in other Groups and members hired on or after January 7, 2013 |
|---|---|---|
| **State and Local** | **State and Local** | **State and Local** |
| **Age and Service Requirements:** | **Age and Service Requirements:** | **Age and Service Requirements:** |
| Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| **Formula:** | **Formula:** | **Formula:** |
| 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS ACFR.

***Funding Policy*** The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local |
|---|---|
| **2022 Statutory Maximum Contribution Rates** | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| | |
| **2022 Actual Contribution Rates** | |
| Employer: | |
| Pension **** | 14.0 % |
| Post-employment Health Care Benefits **** | 0.0 |
| | |
| Total Employer | 14.0 % |
| | |
| Employee | 10.0 % |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions for the traditional plan for 2021 were $19,117. 92% has been contributed for 2021. Of this amount, $1,619 is reported as accrued salaries payable.

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

The net pension asset and liability were measured as of December 31, 2021, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of that date. The Authority's proportions of the net pension asset and liability were based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | Traditional Pension Plan |
|---|---|
| Proportionate Share of the Net Pension Liability/(Asset): | $27,406 |
| Proportion of the Net Pension Liability/(Asset) | 0.000315% |
| Increase/(decrease) in % from prior proportion measurer | 0.000111% |
| | |
| Pension Expense | ($9,735) |

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Traditional Pension Plan |
|---|---|
| **Deferred Outflows of Resources** | |
| Changes in assumptions | $3,427 |
| Changes in proportion and differences | 1,397 |
| Authority's contributions and proportionate share of contributions | $13,735 |
| Authority's contributions subsequent to the measurement date | $19,117 |
| Total Deferred Outflows of Resources | $37,676 |
| **Deferred Inflows of Resources** | |
| Net difference between projected and actual earnings on pension plan investments | $32,599 |
| Differences between expected and actual experience | 601 |
| Changes in proportion and differences Authority's contributions and proportionate share of contributions | 12,054 |
| Total Deferred Inflows of Resources | $45,254 |

$19,117 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | Traditional Pension Plan |
|---|---|
| Year Ending December 31: | |
| 2023 | ($6,568) |
| 2024 | (7,277) |
| 2025 | (7,664) |
| 2026 | (5,186) |
| Total | ($26,695) |

***Actuarial Assumptions - OPERS***

OPERS' total pension asset and liability were determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2021, are presented below:

| **Key Methods and Assumptions Used in Valution of Total Pension Liability** | |
|---|---|
| Actuarial Information | Traditional Pension Plan |
| Valuation Date | December 31, 2021 |
| Experience Study | 5 Year Period Ended December 31, 2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumptions : | |
| Investment Rate of Return | 6.90% |
| Wage Inflation | 2.75% |
| Projected Salary Increases | 2.75% to 10.75%<br>(Includes wage inflation of 2.75%) |
| Cost-of-Living Adjustments | Pre - 1/7/2013 Retirees: 3.00%<br>Simple; Post - 1/7/2013 Retirees: 3.00% Simple through<br>2022, then 2.05% Simple |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS- 2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 24.00 % | 1.03 % |
| Domestic Equities | 21.00 | 3.78 |
| Real Estate | 11.00 | 3.66 |
| Private Equity | 12.00 | 7.43 |
| International Equities | 23.00 | 4.88 |
| Risk Parity | 5.00 | 2.92 |
| Other investments | 4.00 | 2.85 |
| Total | 100.00 % | 4.21 % |

***Discount Rate*** The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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 benefit payments to determine the total pension liability.

***Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9% percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| Employer's Net Pension Liability | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|---|---|---|---|
| Traditional Pension Plan | $72,258 | $27,406 | $9,916 |

*G. Postemployment Benefits*

***Net OPEB Liability***

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

The net OPEB liability represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

***Plan Description***

The Authority's employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the year ended December 31, 2020, OPERS allocated 0.00% of employer contributions to post-employment health care.

***Net OPEB Liability***

The net OPEB liability/(asset) was measured as of December 31, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability/(asset) was based on the Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

| | OPERS |
|---|---|
| Proportionate Share of the Net OPEB Liability/(Asset): | ($25,496) |
| Proportion of the Net Pension Liability | 0.000814% |
| Increase/(decrease) in % from prior proportion measurer | 0.000205% |
| OPEB Expense | ($24,987) |

At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS |
|---|---|
| **Deferred Outflows of Resources** | |
| Changes in proportion and differences between government contributions and proportionate share of contributions | 3,449 |
| Total Deferred Outflows of Resources | $3,449 |
| **Deferred Inflows of Resources** | |
| Net difference between projected and actual earnings on pension plan investments | $12,155 |
| Differences between expected and actual experience | 3,867 |
| Changes in assumptions | 10,319 |
| Changes in proportion and differences between government conributions and proportionate share of contributions | 1,866 |
| Total Deferred Inflows of Resources | $28,207 |

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

| Year Ending December 31: | OPERS |
|---|---|
| 2023 | ($15,888) |
| 2024 | (4,467) |
| 2025 | (2,659) |
| 2026 | (1,744) |
| Total | ($24,758) |

Actuarial Assumptions - OPERS

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| Key Methods and Assumptions Used in Valuation of Total OPEB Liability | |
|---|---|
| Actuarial Information | Traditional Pension Plan |
| Valuation Date | December 31, 2020 |
| Rolled-forward measurment date | December 31, 2021 |
| Experience Study | 5 Year Period Ended December 31, 2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumptions: | |
| Single Discount Rate | 6.00% |
| Investment Rate of Return | 6.00% |
| Municipal Bond Rate | 1.84% |
| Wage Inflation | 2.75% |
| Projected Salary Increases | 2.75% to 10.75%<br>(Includes wage inflation of 2.75%) |
| Health Care Cost Trend Rate | 5.50% initial, 3.50% ultimate in 2034 |

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables(males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on thePubNS- 2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

The following table presents the OPEB liability/(asset) calculated using the single discount rate of 6.00%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

| | 1% Decrease 5.00% | Current Discount Rate 6.00% | 1% Increase 7.00% |
|---|---|---|---|
| Authority's proportionate share of the net OPEB liability | ($14,994) | ($25,496) | ($34,212) |

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| Authority's proportionate share of the net OPEB liability/(asset) | ($25,771) | ($25,496) | ($25,169) |

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return.

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 34.00 % | 0.91 % |
| Domestic Equities | 25.00 | 3.78 |
| Real Estate Investment Trust | 7.00 | 3.71 |
| International Equities | 25.00 | 4.88 |
| Risk Parity | 2.00 | 2.92 |
| Other investments | 7.00 | 1.93 |
| Total | 100.00 % | 3.45 % |

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3% for 2021.

*H. Other Employer Benefits*

***Compensated Absences***

Each employee accrues 4.6 hours of sick time for each two-week pay period worked. Accrual continues during periods of approved paid leave. Unused sick leave is cumulative without limit. Upon retirement or separation of employment, employees are paid up to a maximum of 240 hours.

Unused vacation time and compensatory time are paid to a terminated employee at their rate of pay at the time of retirement as well up to 80 hours.

*I. Long-Term Obligations and Other Obligations*

Changes in the Port Authority's long-term obligations during the year consisted of the following:

| | Balance at 12/31/21 | Additions | Deductions | Balance at 12/31/22 | Due within One Year |
|---|---|---|---|---|---|
| Net Pension Liability | 30,208 | 0 | (2,802) | 27,406 | 0 |
| Sick Leave Payable | 18,505 | 24,048 | (14,606) | 27,947 | 25,528 |
| Total | $48,713 | $24,048 | ($17,408) | $55,353 | $25,528 |

Conduit Debt

Pursuant to State statue, the Authority has issued revenue bonds, hospital revenue bonds, and obtained an Ohio Water Development Authority (OWDA) loan to provide financial assistance to private sector entities for new construction or improvements. The Authority, the State, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

During 2012, the Authority obtained Hospital Facilities Revenue Refunding and Improvement Bonds, Series 2012. These bonds mature in various annual amounts through 2042, interest is due semiannually at rates ranging from 3% to 6%. As of December 31, 2022, there are $121,370,000 of 2012 Hospital Facilities Revenue Refunding and Improvement Bonds Outstanding. The original amounts issued totaled $145,675,000.

The Authority entered into a private/public partnership with Eramet Marietta, LLC, Americas Styrenics, Solvay Advanced Polymers, and Energizer for the construction and rent of Good River Distribution, LLC. Good River Distribution, LLC, is a water production facility located across from the aforementioned industries on the banks of the Ohio River. The Good River Distribution, LLC, water production facility provides process water and fire water to the partner industries. Good River Distribution, LLC, is owned by the Authority until such time as the rent is complete.

During 2012, the Authority obtained a State Assistance Revenue Bond, Series 2012 to acquire, install, and construct a water screening, service water supply, and pumping system. The interest rate is 4.375% and the maturity date is June, 2027. As of December 31, 2022, the principal amount payable was $1,600,000. The original issued amount totaled $4,175,000.

During 2012, the Authority obtained a loan from the OWDA for construction, maintenance, and operation of Good River Distribution, LLC. The loan will be repaid solely by rent received from members of Good River Distribution, LLC. The maturity date is January, 2028. As of December 31, 2022, the principal amount payable was $2,307,873. The original issued amount totaled $6,000,000.

During 2015, the Authority and Marietta Area Health Care obtained Hospital Facilities Improvement Bonds. The bonds were issued for the purpose of acquisition, construction, renovation, equipping, and installation of electronic medical records system as well as various improvements to the health care facilities. As of December 31, 2022, the principal amount payable was $55,190,000. The original issued amount totaled $60,000,000.

During 2020, the Authority obtained Series 2020 Bonds for the purpose of 1) retiring a taxable borrowing undertaken by Marietta College (the College) on an interim basis for the purpose of refunding the Ohio Higher Educational Facility Higher Educational Facility Revenue Bonds (Marietta College 2014 Project) dated November 20, 2014 (the “Reissued Bonds”), 2) refunding the Ohio Higher Educational Facility Higher Educational Facility Revenue Bonds (Marietta College 2011 Project) dated November 20, 2014 (the “2014 Refunding Bonds”) and 3) refinancing on a permanent basis certain capital expenditures for educational facilities and equipment located on the campus of the College (the “2020 Project”). These bonds mature in various annual amounts through 2035, interest is due annually at rates ranging from 2.20% to 2.99%. As of December 31, 2022, the principal amount payable was $29,517,223. The original issued amount totaled $33,500,000.

*J. Ground Lease*

The Authority acts as a lessor under a lease agreement in accordance with GASB 87, Leases. On January 15, 2021, the Authority entered into a ground lease (project site) agreement with Belpre Industrial Parkersburg Railroad, LLC (BIP). The Authority leases the project site to facilitate BIP's construction, equipment, development, improvement, installation, and operation of railcar unloading and coal unloading facility, with associated site development. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent of $200,000 was paid in a lump sum on the effective date of term. The term of the ground lease will expire 10 years from the effective date. The term contains options where the ground lease can be subject to earlier termination or a renewal option in 10 year increments up to nine times for a total of 100-year period from the effective date.

During 2022, the Authority recognized lease revenue totaling $22,222. There is no interest or discount rate associated with the lease. No receivable is due at year end since payment was made in a lump sum on the effective date of the term. Future inflows for the duration of the term are as follows:

| Year Ending | Principal |
|---|---|
| 2023 | $22,222 |
| 2024 | 22,222 |
| 2025 | 22,222 |
| 2026 | 22,222 |
| 2027 | 22,222 |
| 2028 - 2032 | 66,668 |
| Total Future Receipts | $177,778 |

*K. Restatement For Changes in Accounting Principles and Correction of Prior Period Error*

Effective January 1, 2022, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. As a result of GASB 87 implementation and a correction of a voided check from prior period incurred expense, beginning net position have been restated as follows:

| | |
|---|---|
| Net Position, as reported December 31, 2021 | $1,236,980 |
| Voided check | 42,842 |
| Removal of CIP addition from voided check | (42,842) |
| Effect from implementation of GASB 87 | (200,000) |
| Net Position, as restated December 31, 2021 | $1,036,980 |

*L. COVID-19*

Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Authority's financial position and/or the results of operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Washington County, Ohio**
*Required Supplemental Information*
*Condition Assessment of the County's Infrastructure*
*Report Using the Modified Approach*
*December 31, 2022*

The County reports its roads and bridges infrastructure assets using the modified approach. The following disclosures pertain to the condition assessments and budgeted versus actual expenditures for the preservation of these assets.

**County Roads**

The Washington County Engineer uses a pavement management system to evaluate the condition of the County's nearly 341 miles of roads considering pavement surface type, condition, traffic factors, maintenance history and professional judgment. All County Roads are rated once every two years, the system rates the condition as follows:

| Category | Range | Description of Condition |
|---|---|---|
| Failed | ≤30 | Impassable, unsafe, needs major reconstruction |
| Poor | 31-49 | Passable, marginally safe, needs significant maintenance and repair |
| Fair | 50-67 | Average, functions as designed, needs routine maintenance and repair |
| Good | 68-81 | Safe and very suitable for its purpose, needs preventative maintenance |
| Very Good | 82-91 | Like new, no repair needed |
| Excellent | ≥92 | New, no repair needed |

It is the goal of the Washington County Engineer that 90% of the County roads are rated at fair or better condition.

**Bridges**

Bridges are evaluated annually as required by law and following the Ohio Department of Transportation inspection and inventory guidelines. Bridges are rated by a general appraisal as follows:

| Bridge General Appraisal Rating | Description of Condition |
|---|---|
| 9 | Excellent, new or like new |
| 8 | Very good, no problems |
| 7 | Good, minor deterioration of structural elements |
| 6 | Satisfactory, minor deterioration of structural elements |
| 5 | Fair, still functioning as designed, minor section loss to structural elements, non-structural deterioration |
| 4 | Poor, needs major repair or manitenance, to continue to function, load reduction may be needed. |
| 3 | Serious, needs major rehabilitation to continue to function, may need load reduction |
| 2 | Critical, not functioning as designed, load reduction, replacement needed |
| 1 | Closed |

It is the goal to maintain the Washington County bridges such that 90% have general appraisals of 5 or higher.

**Washington County, Ohio**
*Required Supplemental Information*
*Condition Assessment of the County's Infrastructure*
*Report Using the Modified Approach*
*December 31, 2022*

The following summarized the road and bridge conditions as of December 31, 2022, 2021, and 2020:

Road Condition as of December 31,

| | 2022 | | 2021 | | 2020 | |
|---|---|---|---|---|---|---|
| Condition Category | Percent of Roads | Percent Accumulation | Percent of Roads | Percent Accumulation | Percent of Roads | Percent Accumulation |
| Excellent | 35% | 100% | 32% | 100% | 20% | 100% |
| Very Good | 19% | 65% | 23% | 68% | 12% | 80% |
| Good | 17% | 46% | 22% | 45% | 34% | 68% |
| Fair | 26% | 29% | 20% | 23% | 28% | 34% |
| Poor | 3% | 3% | 3% | 3% | 6% | 6% |
| Failed | 0% | 0% | 0% | 0% | 0% | 0% |

97% of the roads were rated in 2022 as fair or better condition, exceeding the goal of 90% rated as fair or better.

| Bridge | 2022 | | 2021 | | 2020 | |
|---|---|---|---|---|---|---|
| General Appraisal | Percent of Bridges | Percent Accumulation | Percent of Bridges | Percent Accumulation | Percent of Bridges | Percent Accumulation |
| 9 | 5% | 5% | 3% | 3% | 3% | 3% |
| 8 | 14% | 19% | 15% | 18% | 13% | 16% |
| 7 | 48% | 67% | 45% | 63% | 41% | 57% |
| 6 | 18% | 85% | 22% | 85% | 26% | 83% |
| 5 | 11% | 96% | 9% | 94% | 10% | 93% |
| 4 | 3% | 99% | 4% | 98% | 4% | 97% |
| 3 | 1% | 99% | 1% | 99% | 2% | 99% |
| 2 | 0% | 99% | 0% | 99% | 1% | 100% |
| 1 | 0% | 100% | 1% | 100% | 0% | 100% |

94.2% of the bridges were rated in 2022 as having a general appraisal of 5 or greater, exceeding the stated goal of 90%

Budget versus actual expenditures for roads and bridges maintenance for the last five years is as follows:

| Total Road and Bridge Maintenance Expense | Budgeted | Actual | Difference |
|---|---|---|---|
| 2022 | $4,663,410 | $3,385,211 | $1,278,199 |
| 2021 | 5,070,218 | 3,712,956 | 1,357,262 |
| 2020 | 4,843,745 | 4,120,506 | 723,239 |
| 2019 | 4,617,351 | 4,145,694 | 471,657 |
| 2018 | 5,217,762 | 4,582,299 | 635,463 |

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**Washington County, Ohio**
*Required Supplementary Information*
*Schedule of the County's Proportionate Share of the Net Pension Liability*
*Ohio Public Employees Retirement System - Traditional Plan*
*Last Ten Years (1)*

| | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| County's Proportion of the Net Pension Liability | 0.13786830% | 0.13802170% | 0.13617504% | 0.14018112% |
| County's Proportionate Share of the Net Pension Liability | $11,995,100 | $20,438,010 | $26,915,920 | $38,392,766 |
| County's Covered Payroll | $20,326,520 | $18,915,086 | $18,451,161 | $17,878,693 |
| County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 59.01% | 108.05% | 145.88% | 214.74% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 92.62% | 86.88% | 82.17% | 74.70% |
| Special Funding Situation | | | | |
| County's Proportion of the Net Pension Liability | 0.0001100% | 0.0009930% | 0.0012125% | 0.0012910% |
| County's Proportionate Share of the Net Pension Liability | $9,570 | $147,042 | $240,153 | $353,579 |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

| 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| 0.14095770% | 0.15003445% | 0.15129960% | 0.15354432% | 0.15129960% |
| $22,113,531 | $34,070,272 | $26,206,999 | $18,519,161 | $18,100,875 |
| $18,117,319 | $18,830,509 | $15,763,276 | $18,087,866 | $17,734,513 |
| 122.06% | 180.93% | 166.25% | 102.38% | 102.07% |
| 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |
| 0.0014320% | 0.0008210% | | | |
| $224,654 | $186,436 | | | |

**Washington County, Ohio**
*Required Supplementary Information*
*Schedule of the County's Proportionate Share of the Net Pension Asset*
*Ohio Public Employees Retirement System - Combined Plan*
*Last Five Years (1)*

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| County's Proportion of the Net Pension Asset | 0.12009690% | 0.12346580% | 0.13728500% | 0.13377120% | 0.12306480% |
| County's Proportionate Share of the Net Pension Asset | $473,186 | $356,400 | $274,821 | $149,586 | $167,529 |
| County's Covered Payroll | $577,936 | $549,843 | $586,686 | $560,221 | $509,377 |
| County's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | -81.88% | -64.82% | -46.84% | -26.70% | -32.89% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 169.88% | 157.67% | 145.28% | 126.64% | 137.28% |

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information

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**Washington County, Ohio**

*Required Supplementary Information*

*Schedule of the County's Proportionate Share of the Net Pension Liability*

*State Teachers Retirement System of Ohio*

*Last Ten Fiscal Years (1)*

| | Fiscal Year 2022 | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 |
|---|---|---|---|---|
| County's Proportion of the Net Pension Liability | 0.00398517% | 0.00469227% | 0.00472633% | 0.00537580% |
| County's Proportionate Share of the Net Pension Liability | $885,908 | $599,947 | $1,143,605 | $1,188,826 |
| County's Covered Payroll | $518,093 | $578,993 | $570,393 | $631,143 |
| County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 170.99% | 103.62% | 200.49% | 188.36% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.90% | 87.80% | 75.50% | 77.40% |

(1) Although this schedule is intended to reflect information for ten fiscal years, information prior to 2013 is not available. An additional column will be added each fiscal year.

Amounts presented for each fiscal year were determined as of June 30th.

See accompanying notes to the required supplementary information

| Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 | Fiscal Year 2014 | Fiscal Year 2013 |
|---|---|---|---|---|---|
| 0.00545511% | 0.00599314% | 0.00693104% | 0.00749110% | 0.00656247% | 0.00749110% |
| $1,199,456 | $1,423,684 | $2,320,028 | $2,070,321 | $1,596,220 | $1,901,407 |
| $620,157 | $658,871 | $729,279 | $781,571 | $722,077 | $669,146 |
| 193.41% | 216.08% | 318.13% | 264.89% | 221.06% | 284.15% |
| 77.30% | 75.30% | 66.80% | 72.10% | 74.70% | 69.30% |

**Washington County, Ohio**

*Required Supplementary Information*

*Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)*

*Ohio Public Employees Retirement System - OPEB Plan*

*Last Six Years (1)*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| County's Proportion of the Net OPEB Liability /Asset | 0.13632660% | 0.13622145% | 0.13458720% | 0.13867872% | 0.13837740% | 0.14695550% |
| County's Proportionate Share of the Net OPEB Liability (Asset) | ($4,269,954) | ($2,426,895) | $18,589,991 | $18,080,432 | $15,026,766 | $14,843,004 |
| County's Covered Payroll | $21,655,606 | $20,092,454 | $19,635,422 | $19,030,489 | $19,137,321 | $19,822,217 |
| County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | -19.72% | -12.08% | 94.68% | 95.01% | 78.52% | 74.88% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% | 54.04% |
| Special Funding Situation: County's Proportion of Net OPEB Liability | 0.00010300% | 0.00092500% | 0.00113100% | 0.00120200% | 0.00134000% | 0.00077000% |
| County's Proportio Share of the Net OPEB Liability | $3,226 | $17,691 | $156,220 | $156,712 | $145,514 | $135,345 |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

**Washington County, Ohio**
*Required Supplementary Information*
*Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)*
*State Teachers Retirement System of Ohio*
*Last Six Fiscal Years (1)*

| | Fiscal Year 2022 | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 |
|---|---|---|---|---|---|---|
| County's Proportion of the Net OPEB Liability (Asset) | 0.00398517% | 0.00469227% | 0.00472633% | 0.00537580% | 0.00545511% | 0.00599314% |
| County's Proportionate Share of the Net OPEB Liability (Asset) | ($103,189) | ($98,931) | ($83,065) | ($89,036) | ($87,658) | $233,831 |
| County's Covered Payroll | $578,993 | $570,393 | $631,143 | $620,157 | $658,871 | $729,279 |
| County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | -17.82% | -17.34% | -13.16% | -14.36% | -13.30% | 32.06% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 230.70% | 174.70% | 182.10% | 174.70% | 176.00% | 47.10% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

**Washington County, Ohio**

*Required Supplementary Information*

*Schedule of County Contributions*

*Ohio Public Employees Retirement System*

*Last Nine Years (1)(3)*

| | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| **Net Pension Liability - Traditional Plan** | | | | |
| Contractually Required Contribution | $3,035,326 | $2,955,262 | $2,749,742 | $2,680,600 |
| Contributions in Relation to the Contractually Required Contribution | (3,035,326) | (2,955,262) | (2,749,742) | (2,680,600) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| County Covered Payroll | $20,859,792 | $20,326,520 | $18,915,086 | $18,451,161 |
| Contributions as a Percentage of Covered Payroll | 14.55% | 14.54% | 14.54% | 14.53% |
| **Net Pension Asset - Combined Plan** | | | | |
| Contractually Required Contribution | $82,155 | $80,911 | $76,978 | $82,136 |
| Contributions in Relation to the Contractually Required Contribution | (82,155) | (80,911) | (76,978) | (82,136) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| County Covered Payroll | $586,821 | $577,936 | $549,843 | $586,686 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% |
| **Net OPEB Liability - OPEB Plan (2)** | | | | |
| Contractually Required Contribution | $29,609 | $30,046 | $25,101 | $23,903 |
| Contributions in Relation to the Contractually Required Contribution | (29,609) | (30,046) | (25,101) | (23,903) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| County Covered Payroll | $22,186,838 | $21,655,606 | $20,092,454 | $19,635,422 |
| Contributions as a Percentage of Covered Payroll | 0.13% | 0.14% | 0.12% | 0.12% |
| **Special Funding Situation - Net Pension Liability** | | | | |
| Contractually Required Contribution | $0 | $2,240 | $19,583 | $23,927 |
| Contributions in Relation to the Contractually Required Contribution | 0 | (2,240) | (19,583) | (23,927) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| **Special Funding Situation - Net OPEB Liability** | | | | |
| Contractually Required Contribution | $0 | $0 | $0 | $0 |
| Contributions in Relation to the Contractually Required Contribution | 0 | 0 | 0 | 0 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |

(1) Information prior to 2013 is not available.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed plan is a defined contribution plan: therefore, the pension side is not included above.

(3) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

| 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|
| $2,596,416 | $2,448,509 | $2,357,601 | $1,974,734 | $2,264,070 | $2,392,487 |
| (2,596,416) | (2,448,509) | (2,357,601) | (1,974,734) | (2,264,070) | (2,392,487) |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $17,878,693 | $18,117,319 | $18,830,509 | $15,763,276 | $18,087,866 | $17,734,513 |
| 14.52% | 13.51% | 12.52% | 12.53% | 12.52% | 13.49% |
| $78,431 | $66,219 | $58,720 | $50,880 | $44,334 | $41,784 |
| (78,431) | (66,219) | (58,720) | (50,880) | (44,334) | (41,784) |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $560,221 | $509,377 | $489,333 | $424,000 | $369,450 | $321,415 |
| 14.00% | 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |
| $22,663 | $20,425 | $20,095 | | | |
| (22,663) | (20,425) | (20,095) | | | |
| $0 | $0 | $0 | | | |
| $19,030,489 | $19,137,321 | $19,822,217 | | | |
| 0.12% | 0.11% | 0.10% | | | |
| $24,406 | $24,609 | $12,736 | | | |
| (24,406) | (24,609) | (12,736) | | | |
| $0 | $0 | $0 | | | |
| $0 | $1,893 | $2,123 | | | |
| 0 | (1,893) | (2,123) | | | |
| $0 | $0 | $0 | | | |

**Washington County, Ohio**

*Required Supplementary Information*

*Schedule of County Contributions*

*State Teachers Retirement System of Ohio*

*Last Ten Years*

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| **Net Pension Liability** | | | | | |
| Contractually Required Contribution | $67,517 | $80,128 | $81,126 | $81,378 | $91,664 |
| Contributions in Relation to the Contractually Required Contribution | (67,517) | (80,128) | (81,126) | (81,378) | (91,664) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 |
| County Covered Payroll | $482,264 | $572,343 | $579,471 | $581,271 | $654,743 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| **Net OPEB Liability/Asset** | | | | | |
| Contractually Required Contribution | $0 | $0 | $0 | $0 | $0 |
| Contributions in Relation to the Contractually Required Contribution | 0 | 0 | 0 | 0 | 0 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 | $0 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| $85,140 | $100,079 | $105,231 | $91,999 | $73,975 |
| (85,140) | (100,079) | (105,231) | (91,999) | (73,975) |
| $0 | $0 | $0 | $0 | $0 |
| $608,143 | $714,850 | $751,650 | $675,966 | $569,038 |
| 14.00% | 14.00% | 14.00% | 13.61% | 13.00% |
| $0 | $0 | $0 | $2,874 | $5,690 |
| 0 | 0 | 0 | (2,874) | (5,690) |
| $0 | $0 | $0 | $0 | $0 |
| 0.00% | 0.00% | 0.00% | 0.43% | 1.00% |
| 14.00% | 14.00% | 14.00% | 14.04% | 14.00% |

**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

| | 2022 | 2019 | 2018 and 2017 | 2016 and prior |
|---|---|---|---|---|
| Wage Inflation | 2.75 percent | 3.25 percent | 3.25 percent | 3.75 percent |
| Future Salary Increases | 2.75 to 10.75 percent including wage inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 10.75 percent including wage inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or Ad Hoc COLA: | | | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | see below | see below | see below | see below |
| Investment Rate of Return | 6.9 percent | 7.2 percent | 7.5 percent | 8 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age | Individual Entry Age | Individual Entry Age |

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

| | |
|---|---|
| 2022 | 3.0 percent, simple through 2022 then 2.05 percent, simple |
| 2021 | 0.5 percent, simple through 2021 then 2.15 percent, simple |
| 2020 | 1.4 percent, simple through 2020 then 2.15 percent, simple |
| 2017 through 2019 | 3.0 percent, simple through 2018 then 2.15 percent, simple |
| 2016 and prior | 3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent |

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions – OPERS Pension – Combined Plan**

| | 2022 | 2019 | 2018 |
|---|---|---|---|
| Wage Inflation | 2.75 percent | 3.25 percent | 3.25 percent |
| Future Salary Increases | 2.75 to 8.25 percent including wage inflation | 3.25 to 8.25 percent including wage inflation | 3.25 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | see below | see below | see below |
| Investment Rate of Return | 6.9 percent | 7.2 percent | 7.5 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age | Individual Entry Age |

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

## Changes in Assumptions – STRS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

| | 2017 | 2016 and Prior |
|---|---|---|
| Inflation | 2.50 percent | 2.75 percent |
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 | 12.25 percent at age 20 to 2.75 percent at age 70 |
| Investment Rate of Return | See Below | See Below |
| Payroll Increases | 3 percent | 3.5 percent |
| Cost-of-Living Adjustment (COLA) | 0.0 percent, effective July 1, 2017 | 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date |

Investment rate of return:

| | |
|---|---|
| 2021 and 2022 | 7.00 percent, net of investment expenses, including inflation |
| 2017 through 2020 | 7.45 percent, net of investment expenses, including inflation |
| 2016 and prior | 7.75 percent, net of investment expenses, including inflation |

Beginning in 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning in 2017, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For 2016 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

**Changes in Assumptions – OPERS OPEB**

| | |
|---|---|
| Wage Inflation: | |
| 2022 | 2.75 percent |
| 2021 and prior | 3.25 percent |
| Projected Salary Increases (including wage inflation): | |
| 2022 | 2.75 to 10.75 percent |
| 2021 and prior | 3.25 to 10.75 percent |
| Investment Return Assumption: | |
| Beginning in 2019 | 6.00 percent |
| 2018 | 6.50 percent |
| Municipal Bond Rate: | |
| 2022 | 1.84 percent |
| 2021 | 2.00 percent |
| 2020 | 2.75 percent |
| 2019 | 3.71 percent |
| 2018 | 3.31 percent |
| Single Discount Rate: | |
| 2022 | 6.00 percent |
| 2021 | 6.00 percent |
| 2020 | 3.16 percent |
| 2019 | 3.96 percent |
| 2018 | 3.85 percent |
| Health Care Cost Trend Rate: | |
| 2022 | 5.5 percent, initial<br>3.5 percent, ultimate in 2034 |
| 2021 | 8.5 percent, initial<br>3.5 percent, ultimate in 2035 |
| 2020 | 10.5 percent, initial<br>3.5 percent, ultimate in 2030 |
| 2019 | 10.0 percent, initial<br>3.25 percent, ultimate in 2029 |
| 2018 | 7.5 percent, initial<br>3.25 percent, ultimate in 2028 |

**Changes in Benefit Term – STRS Pension**

For 2022, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during Fiscal Year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

**Changes in Assumptions – STRS OPEB**

For 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015, through June 30, 2021, and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

For 2021, the discount rate was decreased from 7.45 percent to 7.00 percent.

For 2018, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

**Changes in Benefit Terms – STRS OPEB**

For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For 2020, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020, to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020, from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

**WASHINGTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2022**

| **FEDERAL GRANTOR** *Pass Through Grantor* Program / Cluster Title | Federal AL Number | Pass Through Entity Identifying Number | Provided Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE** | | | | |
| ***Passed Through Ohio Department of Education and Workforce*** | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 2022/2023 | $0 | $12,183 |
| National School Lunch Program | 10.555 | 2022/2023 | 0 | 22,325 |
| COVID-19: National School Lunch Program | 10.555 | 2022/2023 | 0 | 6,234 |
| Total Child Nutrition Cluster | | | 0 | 40,742 |
| Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs | 10.649 | 2022/2023 | 0 | 628 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| SNAP Cluster: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | G-2223-11-7004 | 0 | 402,780 |
| Total SNAP Cluster | | | 0 | 402,780 |
| ***Passed Through Ohio Department of Natural Resources*** | | | | |
| Forest Service Schools and Roads Cluster | | | | |
| Schools and Roads - Grants to States | 10.665 | 2021 | 0 | 38,614 |
| Total Forest Service Schools and Roads Cluster | | | 0 | 38,614 |
| **Total U.S. Department of Agriculture** | | | **0** | **482,764** |
| **U.S. DEPARTMENT OF DEFENSE** | | | | |
| ***Direct from Federal Government*** | | | | |
| Section 594 Ohio Environmental Infrastructure Program | 12.XXX | N/A | 0 | 866,555 |
| **Total U.S. Department of Defense** | | | **0** | **866,555** |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| ***Passed Through Ohio Department of Development*** | | | | |
| Community Development Block Grants - State's Program | 14.228 | B-C-21-1CY-1 | 0 | 89,221 |
| HOME Investment Partnership Program | 14.239 | B-C-21-1CY-2 | 0 | 58,320 |
| **Total U.S. Department of Housing and Urban Development** | | | **0** | **147,541** |
| **U.S. DEPARTMENT OF INTERIOR** | | | | |
| ***Passed Through Ohio Department of Natural Resources*** | | | | |
| Payments in Lieu of Taxes | 15.226 | 2022 | 0 | 83,067 |
| National Forest Acquired Lands | 15.438 | 2022 | 0 | 150,362 |
| **Total U.S. Department of Interior** | | | **0** | **233,429** |
| **U.S. DEPARTMENT OF JUSTICE** | | | | |
| ***Passed Through Ohio Attorney General's Office*** | | | | |
| Crime Victim Assistance | 16.575 | 2023-SVAA-135109301 | 0 | 3,200 |
| | 16.575 | 2023-VOCA-135109260 | 0 | 22,761 |
| Total Crime Victim Assistance | | | 0 | 25,961 |
| **Direct from Federal Government** | | | | |
| Treatment Court Discretionary Grant Program | 16.585 | N/A | 160,203 | 160,203 |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 0 | 4,642 |
| Public Safety Partnership and Community Policing Grants | 16.710 | N/A | 0 | 90,594 |
| **Total U.S. Department of Justice** | | | **160,203** | **281,400** |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | |
| **Federal Highway Administration** | | | | |
| ***Passed Through Ohio Department of Transportation*** | | | | |
| Highway Planning and Construction Cluster | | | | |
| Highway Planning and Construction | 20.205 | PID #109066 | 0 | 321,661 |
| | 20.205 | PID #114108 | 0 | 1,047,317 |
| | 20.205 | PID #104862 | 0 | 246,605 |
| | 20.205 | PID #112891 | 0 | 621,611 |
| Total Highway Planning and Construction- Highway Planning and Construction Cluster | | | 0 | 2,237,194 |

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2022**
***(Continued)***

| **FEDERAL GRANTOR**<br>***Pass Through Grantor***<br>**Program / Cluster Title** | **Federal AL Number** | **Pass Through Entity Identifying Number** | **Provided Through to Subrecipients** | **Total Federal Expenditures** |
|---|---|---|---|---|
| ***Passed Through Ohio Department of Public Safety*** | | | | |
| Highway Safety Cluster- State and Community Highway Safety | 20.600 | 2022 | 0 | 6,143 |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | 2022 | 0 | 1,176 |
| Subtotal Federal Highway Administration | | | 0 | 2,244,513 |
| **Federal Transit Administration** | | | | |
| Formula Grants for Rural Areas and Tribal Transit Program | 20.509 | 088-RPTF-22-0100 | 0 | 407,021 |
| **Total U.S. Department of Transportation** | | | **0** | **2,651,534** |
| **U.S. DEPARTMENT OF TREASURY** | | | | |
| ***Direct from Federal Government*** | | | | |
| COVID-19: Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 2022 | 0 | 2,151,256 |
| ***Passed through the Ohio Mental Health & Addition Services (OHMAS)*** | | | | |
| COVID-19: Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 2021/2022 | 0 | 3,200 |
| **Total U.S. Department of Treasury** | | | **0** | **2,154,456** |
| **U.S. DEPARTMENT OF EDUCATION** | | | | |
| ***Passed Through Ohio Department of Education and Workforce*** | | | | |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027A | 2022 | 0 | 41,533 |
| COVID-19: Special Education - Grants to States | 84.027X | 2022 | 0 | 427 |
| Special Education - Preschool Grants | 84.173A | 2022 | 0 | 13,863 |
| COVID-19: Special Education - Preschool Grants | 84.173X | 2022 | 0 | 77 |
| Total Special Education Cluster | | | 0 | 55,900 |
| COVID-19: Education Stabilization Fund- Governor's Emergency | 84.425C | 2022 | 0 | 19,377 |
| | 84.425C | 2023 | 0 | 4,321 |
| | | | 0 | 23,698 |
| ***Passed Through Ohio Department of Developmental Disabilities*** | | | | |
| Special Education - Grants for Infants and Families | 84.181 | H181A200024 | 24,500 | 72,180 |
| | 84.181 | H181A210024 | 3,500 | 25,178 |
| COVID-19: Special Education - Grants for Infants and Families | 84.181X | H181X210024 | 0 | 22,386 |
| Total Special Education - Grants for Infants and Families | | | 28,000 | 119,744 |
| **Total U.S. Department of Education** | | | **28,000** | **199,342** |
| **U.S. ELECTION ASSISTANCE COMMISSION** | | | | |
| ***Passed Through Ohio Secretary of State*** | | | | |
| Help America Vote Act (HAVA) Election Security Grants | 90.404 | 2022 | 10,000 | 10,000 |
| **Total U.S. Election Assistance Commission** | | | **10,000** | **10,000** |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | | | |
| ***Passed Through Ohio Department of Family and Children First*** | | | | |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | G-2223-06-0356 | 0 | 21,243 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | G-2223-11-7004 | 0 | 6,880 |
| Total MaryLee Allen Promoting Safe and Stable Families Program | | | 0 | 28,123 |
| Temporary Assistance for Needy Families (477 Cluster) | 93.558 | G-2021-11-6008 | 0 | 81,421 |
| | 93.558 | G-2223-11-7004 | 0 | 2,537,381 |
| ***Passed Through Ohio Children's Trust Fund*** | | | | |
| Temporary Assistance for Needy Families (477 Cluster) | 93.558 | G-2223-22-0448 | 0 | 50,976 |
| Total Temporary Assistance for Needy Families (477 Cluster) | | | 0 | 2,669,778 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| Child Support Enforcement | 93.563 | G-2021-11-6007 | 0 | 500 |
| | 93.563 | G-2223-11-7003 | 0 | 542,564 |
| | | | 0 | 543,064 |
| Child Care and Development Block Grant- CCDF Cluster | 93.575 | G-2223-11-7004 | 0 | 54,395 |

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2022**
***(Continued)***

| **FEDERAL GRANTOR**<br>***Pass Through Grantor***<br>**Program / Cluster Title** | **Federal AL Number** | **Pass Through Entity Identifying Number** | **Provided Through to Subrecipients** | **Total Federal Expenditures** |
|---|---|---|---|---|
| ***Passed Through Ohio Department of Family and Children First*** | | | | |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | G-2223-06-0356 | 0 | 2,626 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | G-2223-11-7004 | 0 | 173 |
| Total Stephanie Tubbs Jones Child Welfare Services Program | | | 0 | 2,799 |
| Foster Care - Title IV-E | 93.658 | G-2223-11-7004 | 0 | 919,305 |
| Adoption Assistance | 93.659 | G-2223-11-7004 | 0 | 288,095 |
| ***Passed Through Ohio Department of Developmental Disabilities*** | | | | |
| Social Services Block Grant | 93.667 | 2022/2023 | 0 | 38,011 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| Social Services Block Grant | 93.667 | G-2223-11-7004 | 0 | 498,460 |
| ***Passed Through Ohio Department of Mental Health and Addiction Services*** | | | | |
| Social Services Block Grant | 93.667 | 2022/2023 | 0 | 37,657 |
| Total Social Services Block Grant | | | 0 | 574,128 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| Child Abuse and Neglect State Grants | 93.669 | G-2223-06-0531 | 0 | 38,409 |
| | 93.669 | G-2223-06-0531-1 | 0 | 11,065 |
| Total Child Abuse and Neglect State Grants | | | 0 | 49,474 |
| ***Passed Through Ohio Department of Job and Family Services*** | | | | |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | G-2021-11-6008 | 0 | 8,269 |
| | 93.674 | G-2223-11-7004 | 0 | 38,642 |
| Total John H. Chafee Foster Care Program for Successful Transition to Adulthood | | | 0 | 46,911 |
| Elder Abuse Prevention Interventions Program | 93.747 | G-2223-11-7004 | 0 | 21,575 |
| Children's Health Insurance Program | 93.767 | G-2223-11-7004 | 0 | 147,767 |
| Medical Assistance Program- Medicaid Cluster | 93.778 | G-2223-11-7004 | 0 | 871,118 |
| ***Passed Through Ohio Department of Mental Health and Addiction Services*** | | | | |
| Block Grants for Community Mental Health Service | 93.958 | 2022/2023 | 11,124 | 42,570 |
| ***Passed Through Ohio Department of Mental Health and Addiction Services*** | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 2022/2023 | 18,535 | 376,915 |
| **Total U.S. Department of Health and Human Services** | | | **29,659** | **6,636,017** |
| **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE** | | | | |
| ***Direct from Federal Government*** | | | | |
| Seniors Retired and Senior Volunteer Program | 94.002 | 19SRNOH007 | 0 | 10,812 |
| | 94.002 | 22SRCOH003 | 0 | 50,645 |
| Total Seniors Retired and Senior Volunteer Program | | | 0 | 61,457 |
| ***Passed Through West Virginia Commission for National and Community Service*** | | | | |
| AmeriCorps State and National | 94.006 | 21AC235475-19AFHWV0010008 | 0 | 97,433 |
| | 94.006 | 21AFH-1502-22-OC153 | 0 | 91,336 |
| Total AmeriCorps State and National | | | 0 | 188,769 |
| **Total Corporation For National And Community Service (CNCS)** | | | **0** | **250,226** |
| **U.S. DEPARTMENT OF HOMELAND SECURITY** | | | | |
| ***Passed Through Ohio Department of Public Safety*** | | | | |
| Disaster Grants - Public Assistance | 97.036 | 106631 | 0 | 261,966 |
| | 97.036 | 106662 | 0 | 228,525 |
| | 97.036 | 106643 | 0 | 157,992 |
| Total Disaster Grants - Public Assistance | | | 0 | 648,483 |
| ***Passed through Ohio Emergency Management Agency*** | | | | |
| Emergency Management Performance Grant | 97.042 | EMC-2021-EP-0002 | 0 | 63,568 |
| **Total U.S. Department of Homeland Security** | | | **0** | **712,051** |
| **Total Schedule of Expenditures of Federal Awards** | | | **$227,862** | **$14,625,315** |

*The accompanying notes are an integral part of this Schedule.*

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# NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## 2 CFR 200.510(b)(6)
## FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Washington County, Ohio (the County) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

### NOTE C – INDIRECT COST RATE

The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### NOTE D - SUBRECIPIENTS

The County passes certain federal awards received directly from the federal government and passed through the Ohio Secretary of State, Ohio Department of Developmental Disabilities, and Ohio Department of Mental Health and Addiction Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through County, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

### NOTE E - CHILD NUTRITION CLUSTER

The County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the County assumes it expends federal monies first.

### NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Washington County
205 Putnam Street
Marietta, Ohio 45750

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 15, 2024 wherein we noted the County restated Net Position at December 31, 2021 for the Governmental Activities due to the identification of an understatement of non-depreciable capital assets and understated taxes receivable in the prior period and the County restated the Net Position at December 31, 2021 for the Custodial Fund due to the identification of an understatement of taxes receivable and cash and cash equivalents in segregated Accounts.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a material weakness.

.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Washington County
205 Putnam Street
Marietta, Ohio 45750

To the Board of County Commissioners:

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited Washington County's, Washington County, Ohio (County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Washington County's major federal programs for the year ended December 31, 2022. Washington County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Washington County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

The County's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024

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## 1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---|---|---|
| ***(d)(1)(i)*** | **Type of Financial Statement Opinion** | **Unmodified** |
| ***(d)(1)(ii)*** | **Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?** | **Yes** |
| ***(d)(1)(ii)*** | **Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?** | **No** |
| ***(d)(1)(iii)*** | **Was there any reported material noncompliance at the financial statement level (GAGAS)?** | **No** |
| ***(d)(1)(iv)*** | **Were there any material weaknesses in internal control reported for major federal programs?** | **No** |
| ***(d)(1)(iv)*** | **Were there any significant deficiencies in internal control reported for major federal programs?** | **No** |
| ***(d)(1)(v)*** | **Type of Major Programs' Compliance Opinion** | **Unmodified** |
| ***(d)(1)(vi)*** | **Are there any reportable findings under 2 CFR § 200.516(a)?** | **No** |
| ***(d)(1)(vii)*** | **Major Programs (list):**<br>• Foster Care - Title IV-E, AL # 93.658<br>• Temporary Assistance for Needy Families (477 Cluster), AL # 93.558<br>• Coronavirus State and Local Fiscal Recovery Funds, AL # 21.027<br>• Section 594 Ohio Environmental Infrastructure Program, AL # 12.XXX | |
| ***(d)(1)(viii)*** | **Dollar Threshold: Type A\B Programs** | **Type A: > $ 750,000**<br>**Type B: all others** |
| ***(d)(1)(ix)*** | **Low Risk Auditee under 2 CFR § 200.520?** | **Yes** |

## 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

### FINDING NUMBER 2022-001

**Material Weakness- Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

## 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

### FINDING NUMBER 2022-001(Continued)

**Material Weakness- Financial Reporting (Continued)**

For the year ended December 31, 2022:

- The Southeastern Ohio Port Authority contracts with Perry and Associates to compile the annual financial report for submission in the Hinkle system. Local Government Services utilize this filing to include the Southeastern Ohio Port Authority in the County annual financial report as a component unit of the County. In the Southeastern Ohio Port Authority, the sale of capital assets was improperly classified on the annual financial report filed in the Hinkle System resulting in an increase in Gain on Sale of Capital Asset and decrease in Charges for Services and Sales of $18,943 in the audit adjusted financial statements.
- Local Government Services contracts with the County to compile the annual financial report for submission in the Hinkle System. The County does still retain the responsibility for review and approval of this compilation. The following reclassifications and adjustments were made to the annual financial report as a result of audit:
  - In Other Governmental Funds (Job and Family Services Fund), Intergovernmental revenues were incorrectly classified resulting in an increase in Intergovernmental revenues and decrease of Property Taxes of $8,310,205.
  - Receipts related to the Devola Sewer Project were mis-classified resulting in a decrease in Charges for Services and Sales and increase in Capital Grants and Contributions in the Business-Type Activities and a decrease in Charges for Services and increase in Capital Contributions from Grants in the Sewer Fund of $4,608,369.
  - The County flags items relating to potential capital assets and payables as part of the compilation process. However, certain Capital Assets and payables were not identified in the Sewer Fund and Business-Type Activities resulting in an increase in Contracts Payable of $2,333,147, an increase in Retainage Payable of $202,882, an increase in Nondepreciable Capital Assets of $2,536,029, an increase in Invested in Capital Assets of $2,536,029, and a decrease in Unrestricted fund balance of $2,536,029.
  - The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the American Rescue Plan Fund did not accurately reflect the formally approved appropriation measures resulting in a decrease in original budgeted expenditures of $2,800,000 and a decrease in final budgeted expenditures of $19,008,842.

In addition to the mispostings identified above, the County's Notes to the Basic Financial Statements also required material adjustment to account for these audit adjustments. These misstatements were caused by mistakes which were not identified during the review process. As a result, significant adjustments with which the County's management agrees, were made to the financial statements and are reflected in the accompanying financial statements.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County Auditor, or other designated County Official, should review revenues and expenditures periodically and at year end to ensure amounts have been properly recorded. In addition, the County should review the basic financial statements prior to filing those statements in the Hinkle System.

**Officials' Response**: We did not receive a response from Officials to this finding.

## 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

**None**

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MATTHEW LIVENGOOD
WASHINGTON COUNTY AUDITOR

**CORRECTIVE ACTION PLAN**
**2 CFR § 200.511(c)**
**DECEMBER 31, 2022**

| | |
|---|---|
| **Finding Number:** | 2022-001 |
| **Planned Corrective Action:** | Washington County contracts with LGS to compile its annual financial statements. LGS has agreed to coordinate more closely with the County Auditor and County Chief Financial Administrator during the compilation process to minimize revenue/expense classification errors. The County Auditor will coordinate with the County Chief Financial Administrator and State Auditors to ensure timely submission of the audit to the Federal Audit Clearinghouse. |
| **Anticipated Completion Date:** | May 30, 2024 |
| **Responsible Contact Person:** | Matthew Livengood, County Auditor and Ben Cowdery, Chief Financial Administrator |

OHIO AUDITOR OF STATE
KEITH FABER

**WASHINGTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

**This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.**

**Certified for Release 3/5/2024**