OHIO AUDITOR OF STATE
KEITH FABER

HARDIN COUNTY
DECEMBER 31, 2021

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DECEMBER 31, 2021

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardin County, Ohio (the County), as of and for the year ended December 31, 2021, 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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in cash-basis financial position thereof for the year then ended in accordance with the cash-basis of accounting described in Note 2.

We did not audit the financial statements of the component unit, Hardin County Housing Development, Inc., which represent 27 percent of the assets/net position and 45 percent of the receipts of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in cash-basis financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hardin County Housing Development, Inc., is based solely on the report of other auditors.

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 – Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the County's basic financial statements.

The County presents budgetary comparison schedules for the General, Pike Repair, Job and Family Services, and the Hardin County Board of Developmental Disabilities (HCBDD) funds. These schedules are presented for purposes of additional analysis and are not a required part of the 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 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. This information has been subjected to the auditing procedures applied to 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, these schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, 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
Auditor of State
Columbus, Ohio

November 3, 2022

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HARDIN COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2021

	Primary Government			
	Governmental Activities	Business - Type Activities	Total	Component Unit Totals
Assets				
Equity in Pooled Cash and Cash Equivalents	$32,607,417	$1,738,288	$34,345,705	
Cash and Cash Equivalents in Segregated Accounts				$355,863
Cash with Fiscal Agent	207,418		207,418	
Total Assets	$32,814,835	$1,738,288	$34,553,123	$355,863
Net Position				
Restricted for:				
Debt Service	183		183	
Capital Projects	95,740		95,740	
Other Purposes	20,607,622		20,607,622	
Unrestricted	12,111,290	1,738,288	13,849,578	355,863
Total Net Position	$32,814,835	$1,738,288	$34,553,123	$355,863

See accompanying notes to the basic financial statements

HARDIN COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Cash Receipts		
	Cash Disbursements	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental Activities				
General Government				
Legislative and Executive	$6,036,294	$1,241,037	$92,378	
Judicial	2,931,764	919,574	773,389	
Public Safety	4,635,607	511,947	282,868	
Public Works	7,757,552	3,576,714	5,862,001	$71,370
Health	123,308	145,443		
Human Services	9,812,110	1,247,771	6,230,952	
Conservation and Recreation	85,165		17,486	
Economic Development	871,711			739,765
Debt Service:				
Principal Retirement	34,313			
Interest and Fiscal Charges	39			
Total Governmental Activities	32,287,863	7,642,486	13,259,074	811,135
Business Type Activities				
Hardin Hills	5,207,434	4,893,481	220,765	
Waste Transfer Station	1,041,616	691,453		
Sewers	60,394	58,627		
Total Business Type Activities	6,309,444	5,643,561	220,765	
Total Primary Government	38,597,307	13,286,047	13,479,839	811,135
Component Units:				
Airport	248,849	67,392	224,231	
Hardin Housing	212,490	74,370	135,000	
Total Component Units	$461,339	$141,762	$359,231	

General Cash Receipts and Transfers
Property Taxes Levied for:
General Purpose
911 - Public Safety
Hardin County Board of Developmental Disabilities
Sheriff Levy
Sales Taxes
Grants and Entitlements not Restricted for Specific Purposes
Payments in Lieu of Taxes
Interest
Proceeds from the Sale of Assets
Transfers In / (Out)
Miscellaneous
Total General Receipts and Transfers

Changes in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements.

Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position			
Primary Government			
Governmental Activities	Business Type Activities	Total	Component Units
($4,702,879)		($4,702,879)	
(1,238,801)		(1,238,801)	
(3,840,792)		(3,840,792)	
1,752,533		1,752,533	
22,135		22,135	
(2,333,387)		(2,333,387)	
(67,679)		(67,679)	
(131,946)		(131,946)	
(34,313)		(34,313)	
(39)		(39)	
(10,575,168)		(10,575,168)	
	(93,188)	(93,188)	
	(350,163)	(350,163)	
	(1,767)	(1,767)	
	(445,118)	(445,118)	
($10,575,168)	(445,118)	(11,020,286)	
			$42,774
			(3,120)
			39,654
1,626,725		1,626,725	
322,836		322,836	
2,281,009		2,281,009	
639,387		639,387	
5,624,063		5,624,063	
4,489,985		4,489,985	
205,871		205,871	
228,955		228,955	264
		0	27,208
(235,000)	235,000		
856,460	13,685	870,145	
16,040,291	248,685	16,288,976	27,472
5,465,123	(196,433)	5,268,690	67,126
27,349,712	1,934,721	29,284,433	288,737
$32,814,835	$1,738,288	$34,553,123	$355,863

HARDIN COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Pike Repair Fund	Job and Family Services Fund	HCBDD Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$11,280,267	$3,848,961	$425,701	$3,522,525	$13,529,963	$32,607,417
Cash with Fiscal Agent				207,418		207,418
Total Cash Assets	11,280,267	3,848,961	425,701	3,729,943	13,529,963	32,814,835
Fund Balances						
Nonspendable	30,621					30,621
Committed	1,115,082				861,644	1,976,726
Restricted		3,848,961	425,701	3,729,943	12,668,319	20,672,924
Assigned	1,096,843					1,096,843
Unassigned	9,037,721					9,037,721
Total Cash Fund Balances	$11,280,267	$3,848,961	$425,701	$3,729,943	$13,529,963	$32,814,835

See accompanying notes to the basic financial statements

HARDIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Pike Repair Fund	Job and Family Services	HCBDD Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts						
Property Taxes	$1,626,725			$2,281,009	$962,223	$4,869,957
Intergovernmental	1,508,043	$5,862,001	$3,080,389	1,311,597	6,798,164	18,560,194
Investment Income	226,897	1,984			74	228,955
Licenses and Permits	2,228				227,185	229,413
Fines and Forfeitures	19,834	31,794			363,358	414,986
Special Assessments					900,266	900,266
Charges for Services	1,710,884	2,402,173	698,629	12,297	1,273,838	6,097,821
Sales Tax	5,624,063					5,624,063
Payment in Lieu of Taxes	152,378			40,757	12,736	205,871
Miscellaneous	124,569	247,055	4,902	112,523	367,411	856,460
Total Receipts	10,995,621	8,545,007	3,783,920	3,758,183	10,905,255	37,987,986
Cash Disbursements						
Current:						
General Government:						
Legislative and Executive	4,022,964				2,013,330	6,036,294
Judicial	2,117,963				813,801	2,931,764
Public Safety	3,295,734				1,339,873	4,635,607
Public Works	32,124	6,499,731			1,225,697	7,757,552
Health					123,308	123,308
Human Services	264,840		3,452,571	3,779,193	2,315,506	9,812,110
Conservation and Recreation	52,749				32,416	85,165
Economic Development and Assistance					871,711	871,711
Debt Service:						
Principal Retirement					34,313	34,313
Interest and Fiscal Charges					39	39
Total Disbursements	9,786,374	6,499,731	3,452,571	3,779,193	8,769,994	32,287,863
Cash Receipts Over (Under) Cash Disbursements	1,209,247	2,045,276	331,349	(21,010)	2,135,261	5,700,123
Other Financing Sources (Uses)						
Advances In	19				40,094	40,113
Advances Out	(11,834)				(28,279)	(40,113)
Transfers In	28,365	33,000			961,146	1,022,511
Transfers Out	(961,133)	(33,013)			(263,365)	(1,257,511)
Total Other Financing Sources (Uses)	(944,583)	(13)			709,596	(235,000)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	264,664	2,045,263	331,349	(21,010)	2,844,857	5,465,123
Fund Balances - Beginning of Year	11,015,603	1,803,698	94,352	3,750,953	10,685,106	27,349,712
Fund Balances - End of Year	$11,280,267	$3,848,961	$425,701	$3,729,943	$13,529,963	$32,814,835

See accompanying notes to the basic financial statements

HARDIN COUNTY

STATEMENT OF FUND NET POSITION - CASH BASIS
ENTERPRISE FUNDS
DECEMBER 31, 2021

	Hardin Hills	Other Enterprise Funds	Total Enterprise Funds
Cash Assets:			
Equity in Pooled Cash and Cash Equivalents	$1,657,624	$80,664	$1,738,288
Net Position:			
Unrestricted	$1,657,624	$80,664	$1,738,288

See Accompanying Notes to the Basic Financial Statements.

HARDIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND NET POSITION - CASH BASIS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Hardin Hills	Other Enterprise Funds	Total Enterprise Funds
Operating Cash Receipts:			
Charges for Services	$4,893,481	$750,080	$5,643,561
Other Operating Receipts	13,685		13,685
Total Operating Cash Receipts	4,907,166	750,080	5,657,246
Operating Cash Disbursements:			
Personal Services	2,968,285	205,927	3,174,212
Fringe Benefits	919,961	84,369	1,004,330
Contractual Services	114,288	195,663	309,951
Materials and Supplies	466,560	36,157	502,717
Other Operating Expenses	727,055	318,255	1,045,310
Capital Outlay	11,285	261,639	272,924
Total Operating Cash Disbursements	5,207,434	1,102,010	6,309,444
Operating (Loss)	(300,268)	(351,930)	(652,198)
Non-Operating Receipts:			
Grant	220,765		220,765
Transfers In		235,000	235,000
Total Non-Operating Receipts	220,765	235,000	455,765
Changes in Net Position	(79,503)	(116,930)	(196,433)
Net Position - Beginning of Year	1,737,127	197,594	1,934,721
Net Position - End of Year	$1,657,624	$80,664	$1,738,288

See Accompanying Notes to the Basic Financial Statements.

HARDIN COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Private Purpose Trust	Custodial
Cash Assets:		
Equity in Pooled Cash and Cash Equivalents	$369,461	$3,471,824
Cash and Cash Equivalents in Segregated Accounts		221,809
Total Cash Assets	369,461	3,693,633
Net Position:		
Restricted:		
Expendable	183,180	
Nonexpendable	186,281	
Undistributed Assets		3,693,633
Total Net Position	$369,461	$3,693,633

See Accompanying Notes to the Basic Financial Statements.

HARDIN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Private Purpose Trust	Custodial
Cash Additions:		
Gifts and Donations	$27,149	
Fees		$81,997
Charges for Services		1,197,119
Fines and Forfeitures for Distribution		2,071,903
Investment Income	2,607	
Property and Other Local Taxes Collected for Distribution		25,174,057
Intergovernmental		4,185,148
Deposits Received		94,796
Amounts Received as Fiscal Agent		1,784,748
Other Amounts Collected for Distribution		405,594
Total Cash Additions	29,756	34,995,362
Cash Deductions:		
Payments in Accordance with Trust Agreements	18,273	
Distibutions as Fiscal Agent		2,147,844
Distributions to Other Governments		33,167,739
Distributions on Behalf of Employees		1,871
Total Cash Deductions	18,273	35,317,454
Change in Net Position	11,483	(322,092)
Net Position - Beginning of Year	357,978	4,015,725
Net Position - End of Year	$369,461	$3,693,633

See Accompanying Notes to the Basic Financial Statements.

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Note 1 – Reporting Entity

Hardin County (the County) is a body politic and corporate established in 1883 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

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

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes the Hardin County Board of Developmental Disabilities (DD), Hardin Hills (County Home), Job and Family Services, Children Services Board, and departments and activities that are directly operated by the elected County officials.

A. Component Units

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 organization's governing board; and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise 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 for which the County authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County.

Discretely Presented Component Unit

The component unit column on the financial statements identifies the financial data of the County's component units, Hardin County Housing Development, Inc. and Hardin County Airport Authority. They are reported separately to emphasize that they are legally separate from the County. Financial information about these component units is presented in Note 25 to the basic financial statements.

Hardin County Housing Development, Inc.

Hardin County Housing Development, Inc. (HCHD) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The HCHD, under a contractual agreement with its affiliate the Hardin County Board Developmental Disabilities (HCBDD), provides capital facilities and hygiene services for adults with developmental disabilities in the County.

The Hardin County Board of DD provides the staff salaries, transportation, equipment, and other funds as necessary for the operation. Based on the significant services and resources provided by the County to the HCHD and HCHD's sole purpose of aiding developmentally disabled adults of Hardin County, HCHD is a component unit of the County. Complete financial statements can be obtained from Joanne Longbrake, Finance Manager, at the administrative offices at 705 Ida Street, Kenton, Ohio.

Hardin County Airport Authority

The Hardin County Airport Authority provides air transportation and commercial travel for the general population and surrounding businesses of Hardin County. The Airport Board consists of seven members who are appointed by the Hardin County Commissioners. The airport land is owned by Hardin County. Based on the appointments and control and the significant services it provides, the Hardin County Airport Authority is a component unit of the County.

Complete financial statements can be obtained from Andrea Good, 20783 County Road 100, Kenton, Ohio 43326.

B. Jointly Governed Organizations

The County participates in several jointly governed organizations. These organizations are presented in Note 15 to the basic financial statements. These organizations are:

West Central Ohio Network
Hardin County Regional Planning Commission
Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer, and Van Wert Counties
Hardin County Family and Children First Council
Logan County Juvenile Detention Center
North Central Ohio Solid Waste District
Western Ohio Regional Treatment and Habilitation (WORTH) Center

C. Joint Ventures and Public Entity Risk Pools and Related Organizations

The County participates in several joint ventures, public risk pools and related organizations. These organizations are presented in Note 16, Note 17, and Note 18 to the basic financial statements:

***Joint Ventures*:**
A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are:

Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties
Multi County Correctional Center

Risk Pools:
County Risk Sharing Authority, Inc. (CORSA)
County Commissioner Association of Ohio Workers' Compensation Group Rating Plan
County Employee Benefit Consortium of Ohio, Inc.

Related Organizations:
Mary Lou Johnson-Hardin County District Library
Hardin County Veterans Memorial Park District

D. Fiscal Agent Relationships

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly, the following districts and agencies are presented as custodial funds within the County's financial statements:

Kenton-Hardin County General Health District
Hardin Soil and Water Conservation District

E. Other Districts

The Hardin County Regional Planning Commission, Council on Aging, Hardin County Veterans Memorial Park District, and the Hardin County Family and Children First Council are also not a part of the County reporting entity although they are presented as Custodial funds within the County's financial statements.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide financial 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 statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts 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 receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts 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. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly related to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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. The funds of the County are presented in three categories: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

General Fund - The general fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Pike Repair Fund - This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Job and Family Services Fund - This fund accounts for various federal and state grants that are used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services.

Hardin County Board of Developmental Disabilities (HCBDD) Fund - This fund accounts for various federal and state grants and a property tax levy used to provide assistance and training to developmentally disabled individuals.

The other governmental funds of the County account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds - The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The County did not have an internal service fund.

Enterprise Funds - Enterprise funds may be used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered through user charges. The following is the County's major Enterprise Fund:

Hardin Hills – This fund accounts for the daily operations of the County nursing home. Receipts are generated from resident fees and charges for services and are used to pay other agencies for services, to fund the daily costs of operations, and to provide services to the residents such as laundry, transportation, personal care items, and incidental medical supplies.

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, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County has no pension trust funds or investment trust funds. The County's private-purpose trust funds are amounts held in trust for individuals served by Hardin Hills and Veteran's Services. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds accounts for amounts collected and distributed on behalf of another government or organization.

C. ***Basis of Accounting***

The County's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. 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 cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary schedule reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedule reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

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.

E. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

The Component units are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Cash held by the West Central Ohio Network on behalf of the County is recorded as "Cash with Fiscal Agent".

During 2021, investments were limited to STAR Ohio. The County records all its investments at cost.

STAR Ohio (The State Treasury Asset Reserve of Ohio) is an investment pool managed by the 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 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $100 million or more. 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2021 amounted to $226,897, which includes $163,550 assigned from other County funds. For 2021, total interest receipts amounted to $231,562 in which $226,897 was recorded in the General Fund; $1,984 was recorded in Pike Repair Fund; $74 was recorded in the Help America Vote Grant Fund, and $2,607 was recorded in the Private Purpose Trust Funds.

For presentation on the financial statements, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

F. ***Capital Assets and Depreciation***

Capital assets (fixed assets) acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported on the financial statements.

G. Interfund Receivables/Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements

Advances between governmental and business type activities on the government-wide statements are reported in the same manner as general receipts.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11 the employer contributions include portions for pension benefits and for other postretirement health care benefits (OPEB).

J. Pensions

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

K. Health Care

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) of 1986 required the County to offer and provide terminated or retired employees continued participation in the County's employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

L. ***Intergovernmental Revenues***

Unrestricted intergovernmental revenues received based on entitlement are recorded as revenues when the entitlement is received. Federal and State reimbursement type grants for the acquisition or construction of fixed assets in Proprietary funds are recorded as revenue when the grant is received.

M. *Long-Term Obligations*

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received, and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an "Other financing source" nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid, bonds, long-term loans, and capital leases are recorded as cash disbursements in the basic financial statements when paid.

N. *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:

Non-spendable: The non-spendable 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" criterion includes items that are not expected to be converted to cash.

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of County Commissioners. Those committed amounts cannot be used for any other purpose unless County Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 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 County Commissioners or a County official delegated that authority by resolution or State statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

O. *Net Cash Position*

Net cash position consists of cash receipts and balances reduced by cash disbursements for the current year. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted for Other Purposes is comprised of net position restricted for maintenance and improvement of roads, for public assistance, disabled individuals, health services, and grants. The County did not have net assets restricted by enabling legislation.
The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. In the Fiduciary Funds non-spendable net position represents the principal of trust funds that cannot be spent.

P. *Internal Activity*

Transfers within governmental and business-type activities on the government-wide statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as cash receipts in the seller fund and cash disbursements in the purchaser funds. Flows of cash from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financial sources/uses in governmental funds and after non-operating cash receipts/disbursements in the proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements.

Note 3 – Change in Accounting Principles

There were no changes in Accounting Principles this year.

Note 4 - Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time The County can be fined and various other administrative remedies may be taken against the County.

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Change in Fund Balance – Budget and Actual – Budget Basis of the General Fund and Major Special Revenue Funds are presented as Supplementary Schedules with Notes to those schedules beginning on page 63.

Note 6 – Deposits and Investment*s*

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 demand 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 could 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 notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or 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 that 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 that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or its political subdivisions of the State of Ohio, 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 division (1) or (2) of this section; commercial paper as described in ORS section 135.143; and repurchase agreements secured by such obligations, provided that investments in securities described in this division 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, or both cash and securities, 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. Banker's 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 and investment 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. 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.

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 $800 in un-deposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Cash with fiscal agent cannot be disclosed by credit risk since it is commingled with other counties' money by the fiscal agent.

At the year-end, the bank deposits of the County's Component Units were covered by the Federal Deposit Insurance Corporation (FDIC) and 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.

Investments

The fair value of the following investments is not materially different than measurement value. As of December 31, 2021, the County's investments were as follows:

		Investment Maturities (in Years)
	Measurement	Fair Value
Description	Value	Less than 1 Year
STAR Ohio	$ 1,894,922	$ 1,894,922
Total	$ 1,894,922	$ 1,894,922

The County's investment policy addresses interest rate risk by requiring that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Interest rate risk--Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase.

Credit Risk--The County has no investment policy dealing with investment credit risk beyond the requirement in state statutes. STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 risk beyond the requirements in ORC135.35 (J) (2) which states, "Payments for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk-- The County places no limit on the amount it may invest in any one issuer. All of the County's investments are invested in STAR Ohio.

Note 7 – Taxes

Property Taxes

Property taxes include amounts levied against all real, public utility and public utility personal property located in the County. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 Real property taxes and public utility taxes are levied after October 2020 on the assessed value as of the January 1, 2020, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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 earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value. 2021 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2021, was $12.00 per $1,000 of assessed valuation for real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property:		
Residential - 2020 Valuation	$	342,009,970
Agricultural - 2020 Valuation		176,801,210
Commercial		41,254,770
Industrial		26,341,730
Public Utilities		553,320
# Tangible Personal Property - 2020 Valuation		
Public Utilities		59,000,220
Total Valuation	$	645,961,220

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Permissive Sales and Use Tax

The County Commissioners by resolution have imposed a one and one-half percent tax on retail sales made in the County effective January 1, 2005. The allocation of the sales tax is 100% to the County's General Fund. Vendor collections of the tax are paid to the State Treasury by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management 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 the month. The State then has five days in which to draw the warrant payable to the County.

Tax Abatements

The County enters into property tax abatement agreements with local business pursuant to Ohio Revised Code Section 5709: Taxable Property – Exemptions. Under this section, localities may grant property tax abatements for the purpose of attracting or retaining businesses with their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the year ended December 31, 2021, the County abated taxes totaling $210,346 for the following tax abatement agreements.

An agreement was entered into with the County, the Village of Ada, and Ada Technologies, Inc. (ATI) in July 2006. The agreement abates 100% of property taxes on the increase taxable value for 15 years beginning January 1, 2007 and ending on December 31, 2021. The increase taxable value consists of new construction of 50,000 square feet and requires the hiring of thirty-five additional employees. The additional annual payroll was estimated at $672,838. This year the tax saving was $29,744.

An agreement was entered into with the County, Buck Township, and Robinson Fin Machines, Inc. in July 2006. This agreement abates 100% of property taxes on the increase taxable value for 15 years beginning January 1, 2007 and ending on December 31, 2022. The increase taxable value consists of new construction of a facility for warehousing of 9,400 square feet and manufacturing of 4000 square feet and requires the hiring of three additional employees. The additional annual payroll was estimated at $80,000. This year the tax savings was $7,224.

An agreement was entered into with the County, the Village of Ada and Harvest Pride Tortillas & Chips, LLC. in August 2012. This agreement abates 50% property tax on the increase taxable value for 10 years beginning January 1, 2014 and ending December 31, 2023. This increase in taxable value consists of new construction of $850,000 of 20,000 square feet for the consolidation of its operations and requires the hiring of fifteen additional employees. This year the tax savings was $8,426.

An agreement was entered into by the County and IP CBPR Properties 2 LLC (International Paper) in July 2014. This agreement abates 100% property tax on the increase taxable value for 15 years and will not extend beyond December 31, 2030. This increase in taxable value consists of new construction of 250,000 square feet to house its manufacturing and warehouse operations and to permit consolidation of its operations and expansion of its product lines.

In addition, International Paper will purchase and install new machinery and equipment of approximately $45,000,000. International Paper shall create the equivalent of 125 new full-time permanent job opportunities and use its best efforts to retain 532 existing full-time equivalent jobs. The increase in the number of employees will result in approximately $4,216,000 of additional annual payroll. This year the tax savings was $134,083.

An agreement was entered into by the County and Associated Plastics Corporation in 2016. This agreement abates 75% property tax on the increase taxable value for 10 years and will not extend beyond December 31, 2027. This increase in taxable value consists of adding additional space to their building and hiring new ten full-time permanent employees for an additional payroll of approximately $400,000 per year. This year the tax savings was $14,361.

An agreement was entered into by the County, Buck Township and McCullough Properties in August 2017. This agreement abates 75% property tax on the increase taxable value for 10 years. This increase in taxable value consists of new construction of a 35,000 square foot facility with new machinery and equipment of approximately $1,000,000, furniture and fixtures of $50,000, and inventory of $300,000. McCullough Properties will also create the equivalent of four to six new full-time permanent job opportunities, and of four to six new part-time permanent jobs for an additional payroll of approximately $200,000 per year. This year the tax savings was $16,508.

Note 8 - Transfers

All of the County transfers are shown below which require a resolution by the County Commissioners in order for the County Auditor to make. Transfers from the Landfill Fund were used for Waste Disposal operations. In 2015, the County transferred $140,000 from the General Fund to the Capital Project – Airport. The unexpended balance in the Capital Project – Airport fund was transferred back to the General Fund in 2021. The transfers from the Pike Repair Fund were used for debt retirement on a road project. One of the County's resolutions requires monthly transfers from the General Fund to the GIS fund to finance GIS activities. The following are the transfers made in 2021:

Fund	Transfers In	Transfers Out
General	$ 28,365	$ 961,133
Pike Repair	33,000	33,013
Other Governmental Funds:		
Indigent Guardianship	8,000	
Landfill	-	235,000
GIS	108,354	-
Emergency Management Agency	12,000	-
Keep Hardin County Beautiful	11,200	-
Law Library	15,000	-
OPWC - Debt Retirement	33,013	-
Permanent Improvement	773,579	-
Capital Project - Airport	-	28,365
Other Business Type Funds:	-	-
Waste Disposal	235,000	-
Totals	$ 1,257,511	$ 1,257,511

Note 9 – Risk Management

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of approximately seventy counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program. Member counties agree to jointly participate in the coverage of losses and pay all contributions necessary for the specified insurance coverage provided CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. Coverage provided is as follows:

General Liability - Each Occurrence	$1,000,000
Excess Liability	7,000,000
Law Enforcement Professional Liability	1,000,000
Automobile Liability	1,000,000
Errors and Omissions Liability	1,000,000
Ohio Stop Gap Employer' Liabilty	1,000,000
Employee Benefits Liability	1,000,000
Privacy and Security Liability	1,000,000
Privacy Response Expenses	500,000
Claims Expenses, Regulatory Processings/Penalties	250,000
PCI-DSS Assessments	250,000
Electronic Equipment Data/Network Interruption Cost	250,000
Cyber Extortion	50,000
Attorney Disciplinary Proceedings	25,000
Declaratory, Injunctive or Equitable Relief	25,000
Real and Personal Property	126,756,213
Equipment Breakdown	100,000,000
Business Income/Extra Expense	2,500,000
Gross Earnings/Extra Expense	2,500,000
Contingent Business Interruption	100,000
Crime Coverage (Employee Dishonesty, Computer Fraud)	1,000,000
Uninsured/Underinsured Motorists	250,000
General Liability/Medical Professional Liabiliity for County Home	1,000,000
Law Enforecement Liability	1,000,000
Fine Arts	1,000,000
Dog Warden Blanket Bond	2,000
Extra Expenses - Business Interruption	100,000
EDP Media	250,000
Flood	100,000,000
Earthquake/Earth Movement	100,000,000
Money and Securities	1,000,000
Accounts Receivable	1,000,000
Automatic Acquisition	5,000,000
Pollutant Cleanp/Removal	10,000
Errors and Omissions	250,000
Mobile Medical Equipment	250,000
Property in Transit	100,000
Service Interruption Property Damage	2,500,000
Valuable Papers	2,500,000

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation, dental, and prescription. Settled claims resulting from these risks have not exceeded CORSA's and commercial insurance coverage in any of the past three fiscal years.

Employees of the Hardin County Board of Developmental Disabilities (HCBDD) Board are covered by the County Boards Association (CBA) Benefit Services.

Note 10 – Defined Benefits Pension Plans

A. Net Pension Liability

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 net pension liability represents the County'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 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.

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because 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 the employer (which also includes costs paid in the form of withholdings from employees. State statute requires the pension plans to amortize unfunded liabilities within thirty years.

If the pension amortization period exceeds thirty 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 Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit receipts.

The net pension liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers and other faculty members 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 plan with defined contribution features. Participating employees are divided into state, local, law enforcement and public safety divisions. While members (e.g., County 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 Annual Comprehensive Financial Report referenced above for additional information including requirements for reduced and unreduced benefits).

Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	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
Traditional Plan Formula:	**Traditional Plan Formula:**	**Traditional Plan 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
Combined Plan Formula:	**Combined Plan Formula:**	**Combined Plan Formula:**
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** 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: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** 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: 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:** 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:** 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 earning 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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculations of an annual cost-of-living adjustment.

When a traditional benefit recipient has received benefits for twelve 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 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), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning 2022.

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

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 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.

The County's contractually required contributions were $2,095,896 and $2,030,894 for 2021 and 2020, respectively.

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability 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.

Current Measurement Date	0.097312%
Prior Measurement Date	0.089817%
Changes in Proportional Share	0.007495%
Proportional Share of the Net Pension Liability	$ 14,409,789

Actuarial Assumptions

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 benefits for financial reporting purposes are based on the substantive plan (the plan as understood buy the employers and plan members) and include the types of benefits provide at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020 using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Actuarial Information:	All Plans
Measurement and Valuation Date	December 31, 2020
Experience Study	5-year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation at 3.25%
Cost of Living Adjustments	Pre-1/7/2013 Retirees: 3.0 Simple
	Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

Pre-retirement mortality rates were 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. Postretirement mortality rates were 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. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation 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 were 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, 2015.

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 arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00%	5.64%
Real Estate	10.00%	5.39%
Private Equity	12.00%	10.42%
International Equities	23.00%	7.36%
Other Investment	9.00%	4.75%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.2% 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 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 benefit 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 calculated using the current period discount rate assumption of 7.2 percent and the expected net pension liability or asset if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

	1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
County's Proportionate Share of the Net Pension Liability	$ 27,486,748	$ 14,409,789	$ 3,536,318

Changes Between the Measurement Date and the Reporting Date

During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

State Teachers Retirement Systems (STRS)

Plan Description - HCBDD's licensed teachers and other certified 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 publicly available stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. The report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org

New members have a choice of three retirement plan options: A Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP) and Combined Plan (CP). Benefits are established by the Ohio Revised Code Chapter 3307.

The DBP 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 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living was reduced to zero percent to preserve the fiscal integrity of the retirement system. Benefits recipient's base benefit and past cost-of-living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 service credit and at least age 60.

Eligibility changes for DBP members will actuarially reduced 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 at any age.

The DCP allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. 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 CP offers features of both the DBP and the DCP. In the CP, 12 percent of the 14 percent member rate goes to the DCP and 2 percent goes to the DBP. Member contributions to the DCP from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DBP. The defined benefit portion of the CP payment is payable to a member on or after age sixty 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 DCP or CP 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 CP 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 Statement No. 68 reporting purposes.

A DBP or CP member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DCP who become disabled are entitled only to their account balance. If a member of the DCP 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 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The HCBDD's contractually required contribution to STRS was $47,412 and $59,238 for fiscal year 2021 and 2020, respectively.

Net Pension Liability Portion

The net pension liability (asset) for STRS was measured as of June 30, 2020 (the latest information available). The Hardin County Board of DD's proportion of the net pension liability (asset) was based on the Hardin County Board of DD's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	STRS
Proportion of the Net Pension Liability Current Measurement Date	0.00350606%
Proportion of Net Pension Liability Prior Measurement Date	0.00376117%
Change in Proportionate Share	-0.00025511%
Proportionate Share of the Net Pension Liability	$ 775,344

Actuarial Assumptions - STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2020 (the latest information available).

Key methods and assumptions used in the latest actuarial valuation, reflecting experiences study results used in the July 1, 2020, actuarial valuation are presented below:

	July 1, 2020
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Payroll Increases	3.00%
Investment Rate of Return	7.45% net of investment expenses, including inflation
Discount Rates of Return	7.45%
Cost-of-Living Adjustments (COLA)	0.00%

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.

Pre-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tale with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Experience Studies - Actuarial assumptions used in the July 1, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Investment Return Assumptions - STRS's 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	28.00 %	7.35 %
International Equity	23.00 %	7.55 %
Alternatives	17.00 %	7.09 %
Fixed Income	21.00 %	3.00 %
Real Estate	10.00 %	6.00 %
Liquidity Reserves	1.00 %	2.25 %
Total	100.00 %	

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio 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 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

Sensitivity of Net Pension Liability to Changes in the Discount Rate Assumption **-** The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
County's Proportionate Share of the Net Pension Liability	$ 1,133,079	$ 775,344	$ 472,503

Changes Between the Measurement Date and the Reporting Date

At the June 2021 board meeting, the STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effects of these changes are unknown.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2021, none have elected Social Security.

Note 11 – Defined Benefit Post Employment Benefits Plans

Net Other Post Employment Benefits (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 County'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 County's obligation for this liability to annually required payments. The County cannot control benefit terms or the way OPEB are financed; however, the County 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.

The net OPEB liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Plan Description – Ohio Public Employees Retirement System (OPERS) Post Employment Benefits (OPEB)

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 drug 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.

Medicare eligible retirees who choose to become reemployed or survivors who become employed in an OPERS covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health 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 account balance.Þffective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and reemployed 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 meetÐealth care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become 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 will 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 requiring 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 2021, 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 2021, 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 was 4.0 percent for 2021.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $0 for 2021 and 2020.

Plan Description – State Teachers Retirement System (STRS)

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. The Plan is included in the report of STRS 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 postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For 2021, STRS did not allocate any employer contributions to postemployment health care

Net Pension Liability Portion

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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 liability (asset) was measured as of June 30, 2020 (the latest date for which information is available), and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The Hardin County Board of DD's proportion of the net OPEB liability (asset) was based on the Hardin County Board of DD'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	STRS	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.09351000%	0.00350606%	
Prior Measurement Date	0.08626900%	0.00376117%	
Change in Proportionate Share	0.0072410%	-0.0002551%	
	OPERS	STRS	Total
County's Proportionate Share of the Net OPEB Asset	$1,665,413	$58,069	$1,723,482

Actuarial Assumptions – OPERS OPEB

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. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

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:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurerment date	6.00%
Prior Measurerment date	3.16%
Investment Rate of Return	6.00%
Municipal Bond Rate:	
Current measurerment date	2.00%
Prior Measurerment date	2.75%
Health Care Cost Trend Rate	
Current measurerment date	8.50% initial, 3.50% ultimate in 2035
Prior Measurerment date	10.50% initial, 3.50% ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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 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, 2015.

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 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 arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 liability 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 Health Care Discount Rate 6.00%	1% Increase 7.00%
County's Proportionate Share of the Net OPEB Asset	$ 414,249	$ 1,665,413	$ 2,694,958

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate for OPERS 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 liability calculated using the assumed trend rates, and the expected net OPEB liability 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 2021 is 8.50 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, 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	$1,706,558	$1,665,413	$1,620,528

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effect of these changes is unknown.

Actuarial Assumptions – STRS Postemployment Benefits

All disclosures related to the actuarial assumptions relate to the amounts used for the net OPEB liability for STERS which was measured as of June 30, 2020 (the latest information available).

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020 actuarial valuation are presented below:

Projected salary increases	12.50% at age 20 to 2.50% at age 65.
Investment Rate of Return	7.45% percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

Mortality Rates – 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. 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.

Experience Studies -- Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, 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.

Investment Return Assumptions – STRS Ohio's 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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include 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 OPEB liability was 7.45 percent as of June 30, 2020. 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 describe above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on these assumptions, the STRS's fiduciary net position was projected to be availabe to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Sensitivity of the County's Proportionate Share of the Net Asset to Changes in the Discount and Health Care Cost Trend Rate for STRS - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's Proportionate Share of the Net OPEB Asset	$49,550	$58,069	$65,231

	1% Decrease	Current Trend Rate	1% Increase
County's Proportionate Share of the Net OPEB Ssset	$65,847	$58,069	$48,542

Note 12 - Debt

Long-Term Obligations

The County's long-term debt at year-end consisted of special assessment bonds and Ohio Public Works Commission (OPWC) Loans, which are shown below. At the present time there is no long-term debt in the enterprise funds.

The County's long-term debt transactions for the year ended December 31, 2021, are summarized below:

	Debt Principal Outstanding 01/01/21	Debt Principal Issued	Debt Principal Retired	Debt Principal Outstanding 12/31/21
Special Assessment Bond with Government Commitment	$ 1,300	$ -	$ 1,300	$ -
OPWC Loans	342,697	-	33,013	309,684
Total	$ 343,997	$ -	$ 34,313	$ 309,684

The Special Assessment ditch bonds were used to construct and improve ditches and will be retired through assessments against benefited property owners. Each appropriate bond indenture provides for principal and interest to be paid from assessment collections. If the property owners default on their special assessment obligations, the County is obligated to meet the debt service requirements from County funds.

During 2009 the County completed a road project which was financed in the amount of $191,768 with an OPWC loan to the County. The loan is scheduled for repayment over a twenty-year period that began in July 2008.

During 2016 the County completed a road project which was financed in the amount of $150,000 with an OPWC loan to the County. The loan is scheduled for repayment over a ten-year period.

In 2020, the County started County and Township-wide Road Improvement projects which were financed in the amount of $168,489 with an OPWC loan with zero interest to the County. The loan is scheduled for repayment over a ten year period beginning in 2021 when the projects are completed.

The following are descriptions of the bonds and loans that existed in 2021 and were outstanding as of December 31, 2021:

Description	Issue Date	Issue Rate %	Original Amount	2021 Amount Paid	Outstanding Amount	Maturity Date
Special Assessment Bond:						
Karg Ditch	2016	3.00%	7,700	1,300	-	2021
Total Special Assessment Bonds				1,300	-	
Loans						
OPWC Loan	2008	0.00%	191,768	9,588	67,119	2028
OPWC Loan	2016	0.00%	150,000	15,000	82,500	2026
OPWC Loan	2020	0.00%	168,489	8,425	160,065	2030
Total Loans				33,013	309,684	
Total Bonds and Loans				$ 34,313	$ 309,684	

The annual requirements to amortize all long-term bonded debt and loans outstanding as of December 31, 2021are as follows:

	Loans
	Principal
2022	$ 41,437
2023	41,437
2024	41,437
2025	41,437
2026	41,437
2027-2031	102,499
Total	$309,684

Lease Purchase Agreements **-** In April 2021, the County entered into a lease-purchase financing agreement with Caterpillar Financial Services Corporation to finance the acquisition of a Medium Wheel Loader at a cost of $277,620 at 2.99% interest with maturity in 2023. Payment on the lease this year was $177,620. The County's Pike Repair Fund is used to pay the principal and interest portions of the lease.

In May 2021, the County entered into a lease-purchase financing agreement with Ford Motor Credit Company LCC to finance the acquisition of three sheriff cruisers at a cost of $186,782 at 5.99% interest with maturity in May 2024. Payment on the lease this year was $65,862. The County special Sheriff Levy Fund is used to pay the principal and interest portions of the lease

Net General Obligation Debt- 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 assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, 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 effects of the debt limitations described above on December 31, 2021 are an overall debt margin of $14,337,401 and an un-voted debt margin of $6,458,761.

Conduit Debt

The County issues industrial development bonds on behalf of companies to finance construction of facilities. Facilities are pledged as collateral for the debt, and the bonds are payable solely from the payments received from companies on the mortgage on the facilities. No collateral, security, or commitment is provided by the County to support the debt service payments of the bonds and the bonds are not parity bonds nor are they cross-collateralized with other debt. The following bonds were issued by the County:

In October 2020, the County authorized the issuance of Economic Development Facilities Revenue Refunding Bonds Series 2020, in the amount of $35,000,000 for the benefit of Ohio Northern University to rend and retire certain revenue financings. The outstanding debt on December 31, 2021 is $26,535,000.

The proceeds of the bonds do not constitute a general obligation, debt, or bonded indebtedness of the County; neither is the full faith and credit, or taxing power of the County pledged to make repayment.

Note 13 – Construction and Contracual Commitments

Landfill

The County closed a landfill site in 1995, in accordance with state and federal laws. This closure requires the County to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Each year the County engages a consultant to complete a study regarding post closure landfill costs (monitoring and maintenance of the site). This study is subject to review by the Ohio Environmental Protection Agency. Although post closure care costs will be paid after the date the landfill stops accepting waste, the County estimates the remaining post closure care costs to be estimated that $381,932 based on last year's study and upon over the remaining 4 of the 30-year monitoring period. Actual costs may differ due to inflation, changes in technology, or changes in regulations. The County obtained a promissory note for the face amount of the estimated post closure costs in the event fees or tax revenue would not be sufficient to cover the annual post closure costs. Presently a solid waste transfer station is operating, and transfer fees and tax revenues are financing the post closure costs. Due to the County's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

Note 14 – Contingent Liabilities

Grants

The County receives significant financial assistance from numerous federal and state agencies in the form of grants.

The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would be immaterial.

Litigation

The County is involved in litigation as a defendant. The County does not believe the outcome of this litigation would materially impact the financial statements due the coverage provided thru CORSA insurance program.

Note 15 – Jointly Governed Organizations

West Central Ohio Network

The West Central Ohio Network (West CON) is a regional council of government. West CON is comprised of the boards of Developmental Disabilities (DD) of several counties, including, Auglaize, Darke, Logan, Mercer, Miami, Shelby, Union, and Hardin. The Board of Directors is made up of the Superintendents from each of these DD Boards, and the degree of control exercised by any participating government is limited to its representation on the Board. West CON is the administrator and fiscal agent of Supported Living funds for each of these Boards of Developmental Disabilities. Financial information can be obtained from Lynn Wolters, Executive Director, PO Box 379, 200 Childrens Home Road, Sidney, Ohio 45365.

Hardin County Regional Planning Commission

The Hardin Regional Planning Commission (the Commission) is a jointly governed organization between the County, the Municipalities, and the Townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty-seven members, any of which may hold any other public office. The County is represented by three members.

The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. Each participating government may be required to contribute an assessment per capita, according to the latest federal census, in any calendar year in which the revenue is needed. Financial information can be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326.

Workforce Innovations and Opportunity Act Consortium of Auglaize, Hardin, Mercer, and Van Wert Counties

The Workforce Innovation and Opportunity Act (WIOA) is designed to identify and address complex workforce development issues which transcend local governmental jurisdictional boundaries. By operating as a consortium, the member counties can better coordinate and oversee the WIOA funding and sustain the One Stop system efforts required by WIOA. The CEO's are responsible for providing consultation with the Governor on local area designation, serving as (or designating an appropriate agency to serve as) the grant recipient and fiscal agent for the WIOA funds, with liability for the misuse of these funds, and appointing the members of the Area 8 Workforce Development Board from those nominated by the appropriate nominating agencies.

The Boards of County Commissioners of Auglaize, Hardin, Van Wert and Mercer Counties are the parties to operate within WIOA as a consortium. Each Board of Commissioners shall designate one Commissioner to serve as their representative for the region. The representatives of each Board shall meet as needed with the Workforce Development Board to approve and take other action as needed for the proper implementation and oversight of WIOA and the Area 8 workforce Development system.

The Federal WIA program is administered through the Ohio Department of Job and Family Services and operates on a state fiscal year from July 1 to June 30. Effective July 1, 2002, Auglaize County participated in a multi-county WDA with Hardin and Mercer Counties, with Mercer as the fiscal agent. Financial information can be obtained from Randy Grapner, Mercer County Auditor, 101 North Main Street, Room 105, Celina, Ohio 45822-1794.

Hardin County Family and Children First Council

The Hardin County Family and Children First Council (FCFC) provide services to multi-need youth in the County. Members of the council include the Hardin County Board of Developmental Disabilities, Mental Health Board, Hardin County Child Support Enforcement Agency, Alcohol, Drug and Mental Health Service Board, Head Start, Kenton-Hardin County Board of Health, Kenton City Schools, Hardin County Human Services, Midwest Educational Service Center, and the Ohio Department of Youth Services. The operation of the council is controlled by an advisory committee, which consists of a representative from each agency. Funding comes mainly from the State of Ohio. Financial information can be obtained from Jodi Tudor, Director, 175 W. Franklin Street, Suite 150, Kenton, Ohio 43326-2398.

Logan County Juvenile Detention Center

The Logan County Juvenile Detention Center (JDC) is a jointly established non-profit corporation who's general-purpose is to allow for the constitutional detention of juvenile persons. Hardin County uses this center for detention of juvenile persons living in Hardin County. This entity closed operations on December 31, 2021.

The JDC is governed by a five-member board consisting of the Juvenile Judge and a County Commissioner from each participating county (Logan and Hardin). The Logan County Juvenile Judge shall be responsible for selecting the fifth member annually. Financial information can be obtained from the Logan County Auditor, Jack Reser, Jail Office Complex, 100 South Madriver Street, Room 103, Bellefontaine, Ohio 43311.

North Central Ohio Solid Waste District

Hardin County participates in a multi-county Solid Waste District along with Allen, Champaign, Madison, Shelby and Union Counties. The District was established following the requirements of House Bill 592. The Board of Directors consists of County Commissioners from each county based on its individual county population compared to the total of all participating counties' population.

In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six counties. Hardin County does not contribute to the Joint Solid Waste District nor does it anticipate doing so in the future. Allen County serves as fiscal agent. Financial information may be obtained from the North Central Ohio Solid Waste District, 815 Shawnee Road, Suite D, Lima, Ohio 45805.

Western Ohio Regional Treatment and Habilitation (WORTH) Center

The Western Ohio Regional Treatment and Habilitation (WORTH) Center is a residential probation center created in 1991 under Section 2301.51 of the Ohio Revised Code. The WORTH Center is operated by the Facilities Governing Board comprised of Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, Shelby, and Van Worth Counties. The WORTH Center is operated for men and women from the nine counties placed on probation by the Common Pleas Court that otherwise would be sentenced to incarceration in a state penal institution. Training and counseling are personalized to meet the needs of each offender and are designed to establish an ongoing treatment plan that will accompany the offender upon release from the WORTH Center. The WORTH Center is located in Allen County and Allen County serves as the fiscal agent.

A Facilities Governing Board oversees the facility's operations. Common pleas judges from the counties the facility serves comprise a Judicial Advisory Board. The Judicial Advisory Board appoints two-thirds of the members of the Facilities Governing Board and advises the Board regarding facility matters. The Board includes at least one common pleas court judge from each county the facility serves. The County has entered into a sublease with the Department of Rehabilitation and Correction which stipulates that the WORTH Center building constructed by the Ohio Building Authority reverts to the Allen County's ownership after twenty years from the start of the WORTH Center project. Hardin County does not contribute to the operations of the WORTH Center nor does it anticipate doing so in the future. Financial information may be obtained from the WORTH Center, 243 East Bluelick Road, Lima, Ohio 45802.

Note 16 - Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The following organizations are joint ventures of the County:

Mental Health and Recovery Services Board of Allen, Auglaize, and Hardin Counties

The Mental Health and Recovery Services Board (MHRSB) of Allen, Auglaize, and Hardin Counties, is a tri-county non-profit corporation whose general-purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The Board of Trustees consists of sixteen members. Four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining members are appointed by the County Commissioners of Allen, Auglaize, and Hardin counties in the same proportion as the County's population bears to the total population of the three counties combined. The degree of control exercised by any participating government is limited to its representation on the Board. The MHRSB is a joint venture since continued participation by the County is necessary for the continued existence.

Allen County acts as the fiscal agent for the MHRSB. The Board receives tax revenue from the three Counties and receives federal and state funding through grant monies, which are applied for and received by the board of trustees.

The MHRSB is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on members in the future. The Board has sole budgetary authority and controls surpluses and deficits and the county is not legally or morally obligated for the Board's debt.

Complete financial statements can be obtained from the Allen County Auditor, Rachael S. Gilroy, 301 North Main Street, Room 103, Lima, Ohio 45801.

Multi County Correctional Center

The Multi County Correctional Center is a jointly established non-profit corporation who’s general-purpose is to allow for the humane and constitutional detention of persons who cannot be released to less restrictive alternatives. Institutional programming will provide opportunities for rehabilitation for inmates while meeting all relevant correction standards, including the Minimum Standards for Jails, in Ohio for Full-Service Facilities.

The Center is governed by a Joint County Corrections Commission. The Commission shall be a board composed of the following representatives: The President of the Board of County Commissioners, the Sheriff, and the Presiding Judge of the Court of Common Pleas or his designee from each member county. The Commission shall have an executive committee, construction committee, and operations committee who shall be responsible for the planning, construction, and day to day operating activities of the facility.

The Commission has no outstanding debt as of December 31, 2021. Financial information can be obtained from the Marion County Auditor, Joan M. Kasotis, 222 West Center Street, Marion, Ohio 43302.

Note 17 - Risk Pools

County Risk Sharing Authority, Inc. (CORSA)

CORSA is an Ohio nonprofit corporation includes approximately seventy counties in Ohio, for the purpose of establishing the CORSA Insurance/Self-Insurance Program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials’ errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA 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.

County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group-rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers.

The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

County Employee Benefit Consortium of Ohio, Inc.

The County is participating in an insurance group purchasing pool for employee benefit plan costs, which was established under the authority granted by Section 9.833 of the Ohio Revised Code. The County Employee Benefit Consortium of Ohio, Inc. (CEBCO) was established to assist political subdivisions of the State of Ohio in controlling employee benefit plan costs.

CEBCO is responsible for obtaining and providing to members within 90 days after the last day of the fiscal year, a written report by a member of the American Academy of Actuaries concerning the benefit program.

This report shall certify whether the amounts reserved by CEBCO to cover potential cost of health care benefits for eligible officials, employees, and dependents are sufficient and are computed in accordance with accepted loss reserving standards. Each member political subdivision has a voting representative on the CEBCO Board.

Note 18 - Related Organizations

Mary Lou Johnson Hardin County- District Library

The Library Board is made up of seven members, four are appointed by the Commissioners of the County and three are appointed by the Common Pleas Court Judge of the County. The County is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The County does pass through local government monies from the State of Ohio to the Library. Financial information can be obtained from Camella Hemmerly, Fiscal Officer, 325 East Columbus Street, Kenton, Ohio 43326.

Hardin County Veterans Memorial Park District

The Park District Board is made up of three members, all of which are appointed by the Probate Judge of the County. The County is not involved in the budgeting process or operational management of the Park District, nor does it subsidize or finance its operations. Financial information can be obtained from Danielle Sheldon, Clerk, One Courthouse Square, Suite 210, Kenton, Ohio 43326.

Note 19 - Fiscal Agent Relationships

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly, the following districts and agencies are presented as custodial funds within the County's financial statements:

Kenton-Hardin County General Health District

The eight-member Board of Health is appointed by the District Advisory Council, which is comprised of Township Trustee Chairmen, Fiscal Officers and Mayors of participating municipalities. The Board adopts its own budget and operates autonomously from the County. Financial information can be obtained from the Dionne Staley, Fiscal Officer, 175 West Franklin Street Suite 120, Kenton, Ohio 43326-2398.

Soil and Water Conservation District

The five members of the District are independently elected officials. They adopt their own budget and control their separate operations. Financial information can be obtained from Denna Clem, District Administrator, 112751 SR 309 W., Kenton, Ohio 43326.

Hardin County Family and Children First Council

The members of the Council are appointed according to Ohio Revised Code Section 121.37. Financial information can be obtained from Jodi Tudor, Director, 175 W. Franklik Street, Suite 150, Kenton, Ohio 43326-2398.

Note 20 - Other Districts

The Regional Planning Commission, Council on Aging, and the Hardin County Veterans Memorial Park District, are also not a part of the County reporting entity although they are presented as custodial funds within the County's financial statements.

Note 21 – Related Party Transactions

During 2021, the County provided a subsidy to the Hardin County Housing Development, Inc. (HCHD) in the amount of $35,000 to pay contracts of the maintenance manager and the finance manager.

In prior years, staff salaries, transportation, equipment, and other funds were paid by the county as in-kind expenses. These expenses are now paid by HCHD.

Note 22 – Fund Balances

Fund balance is classified as non-spendable, 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 the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Pike Repair Fund	Job and Family Services Fund	HCBDD Fund	Nonmajor Governmental Funds	Total
Non-spendable:						
Unclaimed Monies	$ 30,621	$ -	$ -	$ -	$ -	$ 30,621
Restricted for:						
Road and Bridge Maintena	-	3,848,961	-	-	-	3,848,961
Ditch Maintenance	-	-	-	-	1,575,436	1,575,436
Real Estate Assessment	-	-	-	-	370,468	370,468
Public Assistance	-	-	425,701	-	-	425,701
Development Disabilities	-	-	-	3,729,943	-	3,729,943
Capital Improvements	-	-	-	-	95,740	95,740
Debt Service Payments	-	-	-	-	183	183
911 Services	-	-	-	-	356,977	356,977
Children Services	-	-	-	-	1,402,309	1,402,309
Other Purposes:	-	-	-	-	8,867,206	8,867,206
Total Restricted	-	3,848,961	425,701	3,729,943	12,668,319	20,672,924
Committed:						
Workers Compensation	1,104,082	-	-	-	-	1,104,082
Underground Storage	11,000	-	-	-	-	11,000
Capital Improvements	-	-	-	-	861,644	861,644
Total Committed	1,115,082	-	-	-	861,644	1,976,726
Assigned To:						
Other Purposes	1,096,843	-	-	-	-	1,096,843
Unassigned	9,037,721	-	-	-	-	9,037,721
Total Fund Balances	$ 11,280,267	$3,848,961	$ 425,701	$ 3,729,943	$ 13,529,963	$32,814,835

On January 24, 2013, the County Commissioners passed a Resolution (V90) to setup the Budget Stabilization fund under Ohio Revised Code 5705.13(A). As of December 31, 2021, the current fund balance was $1,500,000 and is included as part of the unassigned balance in the General Fund. There are currently no written rules for how the money will be used other than future projects that may come up.

Note 23 - Commitments - Encumbrances

The County records all encumbrances and does not have a policy of what encumbrances are considered significant encumbrances. All encumbrances are classified as assigned fund balance in the General Fund and restricted in the major and non-major governmental funds.

Encumbrances as of year-end were:

Fund	Assigned	Restricted
Major Governmental Funds:		
General	$ 453,571	$ -
Pike Repair	-	441,220
Job and Family Services	-	105,214
Hardin County Board of Developmental Disabled	-	35,779
Non-Major Governmental Funds	-	1,282,411
Totals	$ 453,571	$1,864,624

Note 24 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding was available through the Consolidated Appropriations Act 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021. During 2021, the County received $3,046,142 in America Rescue Plan money and spent $64,200 with $15,275 being spent on-behalf of Hardin County Agricultural Society.

Note 25 – Component Units

The following schedule shows summary information of the two components of Hardin County, the Airport Authority and the Hardin Housing Development, Inc.:

Condensed Statement of Cash Receipts, Cash Disbursements and Changes in Net Cash Position

	Airport Authority	Hardin County Housing	Totals
Program Cash Receipts	$ 291,623	$ 209,370	$ 500,993
Non-Operating Cash Receipts	110	27,362	27,472
Program Cash Disbursements	(248,849)	(212,490)	(461,339)
Changes in Net Cash Position	42,884	24,242	67,126
Net Cash Position Beginning of Year	218,114	70,623	288,737
Net Cash Position End of Year	$ 260,998	$ 94,865	$ 355,863

Hardin County Airport Authority

***Accounting Basis* -** The financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Airport recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is required.

Fund Accounting- The Airport classifies its one fund as an enterprise fund. Enterprise funds account for operations that are similar to private business enterprises, where management intends to recover the significant of providing certain goods or services through user charges.

Deposits and Investments - The Airport maintained all money in a checking account which is valued at cost. The carrying amount of deposits on December 31 was $260,998. Deposits are insured by the Federal Depository Insurance Corporation.

Capital Assets - The Airport records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Hardin County Housing Development, Inc.

Accounting Basis - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Financial statements are prepared using the accrual basis of accounting. For purposes of presentation within the County financial statements, cash activity has been presented.

Fund Accounting - The one operating fund includes restricted resources for reporting income and expense and represents the portion of expendable funds that is available for the budgeted operations of the organization. There are no temporary restricted funds.

Capital Assets - Property and equipment are listed at cost, net of accumulated depreciation, which is calculated using the straight-line method. Buildings are depreciated over a life of forty years, equipment over ten years and improvements over fifteen years. Assets of more than $500 are capitalized. Items under $500 are recorded in the expense account "Supplies".

Cash - Cash includes amounts in demand deposits. At year end the carrying amount of bank deposits was $94,865. Of the bank balance, all was covered by federal depository insurance and 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.

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Tax-exempt Status - The Housing Development is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Service Code and classified by the Internal Revenue Service as other than a private foundation.

The Housing Development's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they are filed.

Note 26 – Federal Food Stamp Program

The County's Department of Job and Family Services (JFS) distributes federal food stamps to entitled recipients within the County. The receipt and issuance of these stamps have the characteristics of federal "grants", however, the JFS merely acts in an intermediary capacity. Therefore, the activity and inventory value of the stamps is not reflected in the accompanying financial statements. The County's JFS distributed $9,664,498 of federal food stamps during 2021.

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HARDIN COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
Receipts				
Property Taxes	$1,593,000	$1,593,000	$1,626,725	$33,725
Sales Tax	4,600,000	4,600,000	5,624,063	1,024,063
Charges for Services	1,204,100	1,204,100	1,495,933	291,833
Licenses and Permits	1,500	1,500	2,228	728
Fines and Forfeitures	15,700	15,700	19,834	4,134
Intergovernmental	1,237,900	1,237,900	1,508,043	270,143
Earnings of Investments	275,000	275,000	226,897	(48,103)
Other	232,800	232,800	276,947	44,147
Total Receipts	9,160,000	9,160,000	10,780,670	1,620,670
Disbursements				
Current:				
General Government				
Legislative and Executive	3,047,280	4,492,178	4,162,196	329,982
Judicial	2,227,187	2,441,966	1,980,026	461,940
Public Safety	2,913,441	3,658,017	3,614,461	43,556
Public Works	32,263	32,263	32,124	139
Human Services	345,362	345,562	265,703	79,859
Conservation and Recreation	86,300	86,300	62,749	23,551
Total Disbursements	8,651,833	11,056,286	10,117,259	939,027
Excess of Receipts Over (Under) Disbursements	508,167	(1,896,286)	663,411	2,559,697
Other Financing Sources (Uses)				
Advances In		-	19	19
Advances Out			(11,834)	(11,834)
Transfers In		400,000	28,365	(371,635)
Transfers Out	(175,000)	(1,246,579)	(961,133)	285,446
Total Other Financing Sources (Uses)	(175,000)	(846,579)	(944,583)	(98,004)
Net Change in Fund Balance	333,167	(2,742,865)	(281,172)	2,461,693
Fund Balance Beginning of Year Restated - See Note G	10,170,410	10,170,410	10,170,410	
Prior Year Encumbrances Appropriated	83,045	83,045	83,045	
Unencumbered Fund Balance End of Year	$10,586,622	$7,510,590	$9,972,283	$2,461,693

See accompanying notes to the supplementary information

HARDIN COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS PIKE REPAIR FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
Receipts				
Intergovernmental	$6,820,000	$6,820,000	$5,862,001	($957,999)
Fines and Forfeitures	30,000	30,000	31,794	1,794
Investment Income			1,984	1,984
Charges for Services	1,014,000	1,014,000	2,402,173	1,388,173
Miscellaneous	370,000	370,000	247,054	(122,946)
Total Receipts	8,234,000	8,234,000	8,545,006	311,006
Disbursements:				
Current:				
Public Works	8,185,816	8,038,002	6,763,331	1,274,671
Debt Service:				
Principal Payments	50,000	177,620	177,620	0
Total Disbursements	8,235,816	8,215,622	6,940,951	1,274,671
Excess of Receipts Over (Under) Disbursements	(1,816)	18,378	1,604,055	1,585,677
Other Financing (Uses)				
Transfers In			33,000	33,000
Transfers Out		(50,000)	(33,013)	16,987
Total Other Financing (Uses)	0	(50,000)	(13)	49,987
Net Change in Fund Balance	(1,816)	(31,622)	1,604,042	1,635,664
Fund Balance Beginning of Year	1,781,696	1,781,696	1,781,696	
Prior Year Encumbrances Appropriated	22,000	22,000	22,000	
Unencumbered Fund Balance End of Year	$1,801,880	$1,772,074	$3,407,738	$1,635,664

See accompanying notes to the supplementary information

HARDIN COUNTY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS JOB AND FAMILY SERVICES FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts:				
Intergovernmental	$3,128,000	$3,433,000	$3,080,389	($352,611)
Charges for Services	371,000	371,000	698,629	327,629
Miscellaneous	20,000	20,000	4,902	(15,098)
Total Receipts	3,519,000	3,824,000	3,783,920	(40,080)
Disbursements:				
Current:				
Human Services	3,518,000	3,859,359	3,557,785	301,574
Total Disbursements	3,518,000	3,859,359	3,557,785	301,574
Excess of Receipts Over (Under) Disbursements	1,000	(35,359)	226,135	261,494
Fund Balance Beginning of Year	23,138	23,138	23,138	
Prior Year Encumbrances Appropriated	71,214	71,214	71,214	
Unencumbered Fund Balance End of Year	$95,352	$58,993	$320,487	$261,494

See accompanying notes to the supplementary information

HARDIN COUNTY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HCBDD FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
Receipts:				
Taxes	$2,282,366	$2,282,366	$2,321,766	$39,400
Intergovernmental	976,849	976,849	869,337	(107,512)
Charges for Services	66,000	66,000	263,650	197,650
Miscellaneous	1,500	1,500	153,280	151,780
Total Receipts	3,326,715	3,326,715	3,608,033	281,318
Disbursements:				
Current:				
Human Services	4,045,750	4,056,496	3,410,335	646,161
Total Disbursements	4,045,750	4,056,496	3,410,335	646,161
Excess of Receipts Over Disbursements	(719,035)	(729,781)	197,698	927,479
Fund Balance Beginning of Year	3,276,817	3,276,817	3,276,817	
Prior Year Encumbrances Appropriated	12,231	12,231	12,231	
Unencumbered Fund Balance End of Year	$2,570,013	$2,559,267	$3,486,746	$927,479

See accompanying notes to the supplementary information

Budgetary presentations are included after the financial statement notes as supplementary information and report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

BUDGETARY PROCESS

A. Budget

In accordance with Section 5747.53 of the Ohio Revised Code, the County Budget Commission has provided for the apportionment of undivided local government funds under an alternative method that has been approved by governmental subdivisions within the County. Under this alternative method, the County Budget Commission has waived the requirement for the Taxing Authority of a subdivision to adopt a tax budget.

B. Estimated Resources

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources that states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the County must revise its budget so that the total contemplated disbursements from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriations.

C. Appropriations

1. Following submission of requests by various offices and departments, the Board of County Commissioners holds budget hearings during the fall with respective officeholders and department heads.

2. Shortly before the beginning of the fiscal year, the County Commissioners pass an Appropriation Resolution that legally authorizes the expenditure of funds for respective officeholders and department heads.

3. Appropriations are provided in the amounts of approved grants by the Board of County Commissioners.

4. The revised budget figures reflected in the combined financial statements include the prior year appropriations carried over for liquidations against prior year encumbrances, and any amendments to the original Appropriation Resolution.

5. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, fringe benefits, county share of the Ohio Public Employees Retirement System, unemployment compensation, materials and supplies, services and charges, grants, capital outlays, debt service, inter-fund transfers, and other disbursements. For funds, which are directly appropriated by the Commissioners, transfers of appropriations at the major account level or between appropriation levels require a resolution signed by at least two Commissioners.

6. Supplemental appropriations are made when needed, subject to approval by at least two Commissioners. Supplemental appropriations were made during 2021 and were considered routine.

7. Unencumbered appropriations lapse at year-end. Contracts and purchase-type encumbrances outstanding at year-end carry their appropriations with them into the next year. Contracts and purchase-type encumbrances outstanding at year-end are recorded as expenditures on the budget basis of accounting.

8. The budgetary procedures described herein apply to all funds except the trust and custodial funds.

D. Encumbrances

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the disbursement of funds are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of formal budgetary control in the appropriated governmental and proprietary funds. Encumbrances outstanding at year-end are reported as assigned or restricted fund balance for subsequent year disbursements on the cash basis of accounting, compared to encumbrances outstanding at year-end reported as expenditures on the budget basis of accounting. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be re-appropriated.

E. Hardin County Board of Developmental Disabilities (HCBDD) Fund Budgetary Comparison Schedule-Actual Resources and Charges to Appropriations

Activity of the West Central Ohio Network a jointly governed organization of the County, on behalf of the County is recorded as cash receipts and cash disbursements on the financial statements. However, this activity is not included in the County's annual budget and, therefore, is not reflected on the HCBDD Fund Budgetary Comparison Schedule.

F. Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursement, and encumbrances. The Budgetary Comparison Schedule presented for the General Fund and major Special Revenue Funds are prepared on the budget basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is that outstanding encumbrances are treated as expenditures (budget basis) rather than as an assigned or restricted fund balance (cash basis).

	Net Changes in Fund Balances			
	General Fund	Pike Repair Fund	Job and Family Services Fund	HCBDD Fund
Budget Basis	$ 9,972,283	$3,407,738	$ 320,487	$3,486,746
Activity with Fiscal Agent*	-	-	-	207,418
Adjustment for Encumbrances	451,571	441,223	105,214	35,779
Funds Budgeted Elsewhere**	856,413	-	-	-
Cash Basis	$ 11,280,267	$3,848,961	$ 425,701	$3,729,943

* Cash with Fiscal Agent represents money held by West Con. Both accounts are recorded on the cash financial statements at year-end.

** As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate funds are considered part of the General Fund on a cash basis. For the County this includes the Recorder's Equipment and Certificate of Title Administration Funds.

G. Restatement of Fund Balance

The budgetary balance of the General Fund at December 31, 2020 was restated as two funds, previously classified in the General Fund on the cash basis under Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, were reclassified for the budgetary basis. This restatement had the following effect on the budgetary fund balance of the General Fund:

Fund Balance, December 31, 2020	$8,965,992
Underground Tank Fund reclassified	11,000
Workers' Compensation Fund reclassified	1,193,418
Restated Fund Balance December 31, 2020	$10,170,410

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2021

Federal Grantor Pass Through Grantor Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Passed Through to Subrecipents	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
(Passed through Ohio Department of Job and Family Services)				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2021-11-5935		$63,346
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6935		90,728
Total SNAP Cluster				154,074
Total U.S. Department of Agriculture				154,074
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(Passed through Ohio Department of Development)				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-19-1BD-1		179,699
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-X-19-1BD-1		197,381
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-20-1BD-1		49,045
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-18-1BD-1		41,447
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				467,572
Home Investment Partnerships Program	14.239	B-C-18-1BD-2		89,185
Home Investment Partnerships Program	14.239	B-C-20-1BD-2		77,676
Total Home Investment Partnerships Program				166,861
Total U.S. Department of Housing and Urban Development				634,433
U.S. DEPARTMENT OF JUSTICE				
(Direct Program)				
Comprehensive Opioid Abuse Site-Based Program	16.838			64,085
(Passed through Ohio Department of Public Safety)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JG-B01-6272		23,984
Total United States Department of Justice				88,069
U.S. DEPARTMENT OF EDUCATION				
(Passed through Ohio Department of Education)				
Special Education Cluster (IDEA):				
Special Education_Preschool Grants	84.173	N/A		7,623
Total Special Education Cluster (IDEA)				7,623
COVID-19 Education Stabilizaton Fund				
COVID-19 Governors Emergency Education Relief Fund (GEER Fund)	84.425C	N/A		16,831
(Passed through Ohio Department of Developmental Disabilities)				
Special Education-Grants for Infants and Families	84.181	N/A		20,302
Total U.S. Department of Education				44,756
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(Passed through Ohio Department of Job and Family Services)				
Temporary Assistance for Needy Families				
Temporary Assistance for Needy Families	93.558	G-2021-11-5935	23,594	412,499
Temporary Assistance for Needy Families	93.558	G-2223-11-6935		749,147
Total Temporary Assistance for Needy Families			23,594	1,161,646
Children's Health Insurance Program	93.767	G-2021-11-5935		12,965
Children's Health Insurance Program	93.767	G-2223-11-6935		6,315
Total Children's Health Insurance Program				19,280
Medicaid Cluster				
Medical Assistance Program	93.778	G-2021-11-5935		305,144
Medical Assistance Program	93.778	G-2223-11-6935		264,006
				569,150
(Passed through Ohio Department of Developmental Disabilities)				
Medical Assistance Program	93.778	N/A		78,488
Total Medicaid Cluster				647,638
(Passed through Ohio Department Job and Family Services)				
Adoption Assistance	93.659	G-2021-11-5935		47,249
Adoption Assistance	93.659	G-2223-11-6935		48,355
Total Adoption Assistance				95,604
CCDF Cluster				
Child Care and Development Block Grant	93.575	G-2021-11-5935	16,486	16,486
Child Care and Development Block Grant	93.575	G-2023-11-6935	5,804	8,023
Total CCDF Cluster			22,290	24,509
Social Services Block Grant	93.667	G-2021-11-5935		186,097
Social Services Block Grant	93.667	G-2223-11-9935		198,106
				384,203
(Passed through Ohio Department of Developmental Disabilities)				
Social Services Block Grant	93.667	N/A		14,893
Total Social Services Block Grant				399,096

(continued)

HARDIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2021

Federal Grantor Pass Through Grantor Program Title	Federal ALN Number	Pass Through Entity Identifying Number	Passed Through to Subrecipents	Total Federal Expenditures
(Passed through Ohio Department of Job and Family Services)				
Promoting Safe and Stable Families	93.556	G-2021-11-5935		$7,813
Promoting Safe and Stable Families	93.556	G-2223-11-6935		4,020
Total Promoting Safer and Stable Families				11,833
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5935		916
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6935		7,596
Total Stephanie Tubbs Jones Child Welfare Services Program				8,512
Foster Care_Title IV-E	93.658	G-2021-11-5935		172,856
Foster Care_Title IV-E	93.658	G-2223-11-6935		183,248
Foster Care_Title IV-E	93.658	G-2223-06-0201		25,699
Total Foster Care_Title IV-E				381,803
Child Support Enforcement	93.563	G-2021-11-5936		346,632
Total U.S. Department of Health and Human Services			45,884	3,096,553
U.S. DEPARTMENT OF HOMELAND SECURITY				
(Passed through Ohio Department of Public Safety)				
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002		7,283
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005		625
Emergency Management Performance Grants	97.042	EMC-2020-EP-00004		12,583
Total Emergency Management Performance Grants				20,491
Total U.S. Department of Homeland Security				20,491
U.S. DEPARTMENT OF LABOR				
(Passed through Ohio Department of Job and Family Services)				
WIOA Cluster:				
WIOA Adult Program	17.258	G-2021-15-0027		22,735
WIOA Adult Program	17.258	G-2223-15-0046		50,377
Total WIOA Adult Program				73,112
WIOA Youth Activities	17.259	G-2021-15-0027		55,537
WIOA Youth Activities	17.259	G-2223-15-0046		51,531
Total WIOA Youth Activities				107,068
WIOA Dislocated Worker Formula Grants	17.278	G-2021-15-0027		34,004
WIOA Dislocated Worker Formula Grants	17.278	G-2223-15-0046		8,095
Total WIOA Dislocated Worker Formula Grants				42,099
Total WIOA Cluster				222,279
Unemployment Insurance	17.225	G-2021-15-0027		4,224
Unemployment Insurance	17.225	G-2223-15-0046		3,975
Total Unemployment Insurance				8,199
Workforce Investment Act (WIA) National Emergency Grants	17.277	G-2021-15-0027		8,344
Workforce Investment Act (WIA) National Emergency Grants	17.277	G-2223-15-0046		2,553
Total Workforce Investment Act (WIA) National Emergency Grants				10,897
Total U.S. Department of Labor				241,375
U.S. ELECTIONS ASSISTANCE COMMISSION				
(Passed through Ohio Secretary of State)				
2018 HAVA Election Security Grants	90.404	N/A		11,584
U.S DEPARTMENT OF TREASURY				
(Direct Program)				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		64,200
(Passed thru Ohio Department of Education)				
COVID-19 Coronavirus Relief Fund	21.019	N/A		2,624
Total U.S. Department of Treasury				66,824
Total Expenditures of Federal Awards			$45,884	$4,358,159

The accompanying notes are an integral part of this schedule

HARDIN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Hardin County (the County's) under programs of the federal government for the year ended December 31, 2021. 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, or changes in net position 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 not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (CDBG) - REVOLVING LOAN PROGRAM WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

Hardin County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to eligible persons. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Department of Development. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the properties. The following represents the activity of the revolving loans, the amount of loans outstanding and the cash balance available for loan.

Small Business Revolving Loans	Loan Activity and Balances	Cash Activity and Balances
Beginning Balances January 1, 2021	$0	$48,295
Loan Principal Repayments / Cash Receipts		
Loan and Grant Disbursements		(48,200)
Loans Written off as Uncollectible		
Ending Balances December 31, 2021	$ 0	$95

There was a grant disbursement during 2021 however there were no outstanding loans at December 31, 2021.

NOTE E - 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.

NOTE F – COST REPORT SETTLEMENTS

During the calendar year, the County Board of Developmental Disabilities (HCBDD) received a notice of liability owed for the 2017 and 2018 Cost Reports from the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of $1,432 and $3,942, respectively. The Cost Report Settlement liability was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in the prior reporting periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.

NOTE G – SUBRECIPIENTS

The County passes certain federal awards received from the U.S. Department of Health and Human 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 subrecipient, 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.

OHIO AUDITOR OF STATE
KEITH FABER

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

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash-basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hardin County (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 3, 2022, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. Our report includes a reference to another auditor who audited the financial statements of the component unit Hardin County Housing Development, Inc. as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 purposes of expressing our opinions 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 2021-002 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2021-001.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 3, 2022

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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

Hardin County
One Courthouse Square, Suite 250
Kenton, Ohio 43326

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hardin County's (the 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 Hardin County's major federal programs for the year ended December 31, 2021. Hardin County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Hardin 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, 2021.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 3, 2022

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HARDIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

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)?**	Yes
(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):**	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (CFDA #14.228) Temporary Assistance for Needy Families (CFDA #93.558) Social Services Block Grant (CFDA #93.667)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2021-001

Noncompliance Citation

Ohio Rev. Code §117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County.

To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

OFFICIALS' RESPONSE:

The County has passed a resolution on March 11, 2003, volume 70, page 131 stating that all annual reports beginning fiscal 2002 and thereafter will be on a cash basis. This decision was based on the cost of preparation, conversion and audit expense. The County has estimated that it has saved nearly $25,000 to $35,000 annually.

FINDING NUMBER 2021-002

Material Weakness – Accuracy of 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.

Due to a lack of internal controls over the financial reporting process the following errors were identified and adjusted in the accompanying financial statements, notes to the financial statements, and schedules:

FINDING NUMBER 2021-002
(Continued)

- Receipts in the amount of $251,353 from the Ohio Department of Developmental Disabilities for Medicare Administrative Contractor (MAC) payments and individual options waiver were recorded as charges for services instead of intergovernmental receipts in the Hardin County Board of Developmental Disabilities Fund, on the statement of cash receipts, cash disbursements, and changes in fund balances; and on the statement of activities as program receipts/charges for services instead of program receipts/operating grants and contributions;

- Disbursement classifications for the Workforce Innovation and Opportunity Act (WIOA), Active Transportation Program (ATP) Grants, and Enterprise Zone funds reported in the trial balances and the Statement of Activities and for the other governmental funds on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances did not agree with the accounting system. As a result judicial disbursements were overstated by $238,574, legislative and executive disbursements were overstated by $38,565, human services disbursements were understated by $237,401 and public safety disbursements were understated by $39,738;

- On the Statement of Activities, program revenue/operating grants and contributions for the WIOA Fund in the amount of $236,382 were reclassified from judicial disbursements to human services disbursements, program revenue/operating grants and contributions from the American Rescue Plan Fund in the amount of $48,925 were reclassified from conservation & recreation disbursements to legislative & executive disbursements to be consistent with how the funds were used, and $2,981,942 in American Rescue Plan receipts which was equal to the balance of grant funds unspent at December 31, 2021, were reclassified from program revenue/operating grants and contributions to general revenue – grants and entitlements not restricted for specific purposes;

- Disbursements, in the amount of $65,862, for payments on a lease purchase paid from the Sheriff Levy Fund were classified as principal retirement disbursements instead of public safety disbursements. This classification error impacted both the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances and the Statement of Activities;

- Payments in lieu of taxes in the amount of $152,378 in the General Fund and in the amount of $40,757 in the Hardin County Board of Developmental Disabilities Fund were recorded as miscellaneous receipts instead of intergovernmental receipts on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances and as grants and entitlements not restricted for specific purposes on the Statement of Activities;

- Net position restricted for capital assets was understated by $246,668, restricted for other purposes was understated by $2,301,261, and unrestricted net position was overstated by $2,547,929 on the Statement of Activities;

- A program operating grant, in the amount of $150,000, recorded in the CPC Probationary Services Grant Fund, was recorded as charges for services on the Statement of Activities;

- Assigned fund balance in the General Fund on the Statement of Assets and Fund Balances was understated by $315,860 due to an error in the calculation of subsequent year appropriations in excess of estimated resources;

- Due to an error in the trial balances, transfers-in and transfers-out within the other governmental funds on the statement of cash receipts, cash disbursements, and changes in fund balances were overstated in the amount of $1,069,579;

FINDING NUMBER 2021-002
(Continued)

- The General Fund Schedule of Receipts, Disbursements and Change in Fund Balance Budget and Actual included actual charges for services receipts of $214,951 from the Certificate of Title Administration Fund and the Recorder's Equipment Fund, which are funds that are only included on the cash basis in the General Fund when implementing Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Actual disbursements presented on the schedule did not include encumbrances and transfer activity related to transfers made within the General Fund accounts were not eliminated from the transfers presented on the schedule. As a result, actual expenditures were understated by $247,839 and actual transfers-in and transfers-out were overstated by $1,069,579. Original budgeted transfers-out were overstated by $1,471,579, final budgeted transfers-out were over stated by $1,221,579 and final budgeted advances-in were overstated by $400,000. The errors above resulted in the unencumbered fund balance end of year being understated by $1,471,579 for the original budget, being understated by $1,221,579 for the final budget, and being overstated by $462,791 for the actual balance; and

- The Job and Family Services Fund Schedule of Receipts, Disbursements and Change in Fund Balance budget and actual original budgeted disbursements were overstated by $341,359 which resulted in the same overstatement for unencumbered fund balance end of year for the original balance.

Legislative & executive disbursements in the amount of $101,973 were recorded as judicial disbursements on the statement of activities and in the general fund on the statement of cash receipts, cash disbursements, and changes in fund balances. This error was not adjusted in the accompanying financial statements.

In addition, errors and/or updates were also identified and corrected in the notes to the financial statements including but not limited to the deposits and investments, defined benefit pension plans, and post-employment benefits disclosures, along with various other disclosures, and to the notes to the supplementary information.

Financial reporting errors not only may result in material misstatements but may also impact the users' understanding of the financial statements.

To improve financial reporting, the County should establish and implement procedures to provide for accurate and complete recording of financial activity in the accounting records and financial statements to assist in the effective management and reporting of financial resources. Prior to filing, the County should perform a detailed review of the annual financial report.

OFFICIALS' RESPONSE:

The Auditor's Office has made the necessary code changes and with the retirement of the current CPA firm will work closely with the new CPA firm to eliminate or reduce future errors.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

MICHAEL T. BACON

HARDIN COUNTY AUDITOR

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HARDIN COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	**Ohio Rev. Code § 117.38** and **Ohio Adm. Code § 117-2-03 (B)** – the County did not prepare financial statements in accordance with generally accepted accounting principles. First Reported in 2002.	Not corrected	Repeated as Finding 2021-001
2020-002	**Material Weakness – Accuracy of Financial Reporting –** Adjustments were required to correct classifications errors in the financial statements, management's discussion and analysis, notes to the financial statements, and budgetary schedules.	Partially Corrected	Repeated as Finding 2021-002

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HARDIN COUNTY

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	The County has passed a resolution on March 11, 2003, volume 70, page 131 stating that all annual reports beginning fiscal 2002 and thereafter will be on a cash basis. This decision was based on the cost of preparation, conversion and audit expense. The County has estimated that it has saved nearly $25,000 to $35,000 annually.	N/A	N/A
2021-002	The Auditor’s Office has made the necessary code changes and with the retirement of the current CPA firm will work closely with the new CPA firm to eliminate or reduce future errors.	12/2022	Michael T. Bacon

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OHIO AUDITOR OF STATE
KEITH FABER

HARDIN 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 12/20/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370