

ADAMS COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022



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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Commissioners
Adams County
110 W. Main St.
West Union, OH 45693

We have reviewed the *Independent Auditor's Report* of Adams County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Adams County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 07, 2023

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Adams County
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For the Year Ended December 31, 2022

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Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of December 31, 2022, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, American Rescue Plan Act, Children Services Levy, Motor Vehicle Gas Tax, and Job and Family Services Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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 Section 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 – COVID-19

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will 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 for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Awards Expenditures as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Federal Awards Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

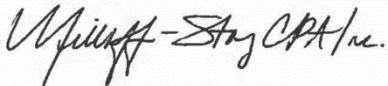
Other Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023 on our consideration of the County's internal control over financial reporting and on 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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 27, 2023

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

The discussion and analysis of Adams County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2022, within the limitations of the County's cash basis of accounting. Please read this in conjunction with the County's basic financial statements.

Financial Highlights

Key financial highlights for 2022 are as follows:

Overall:

- Total net position increased \$4,116,536 with governmental activities increasing by \$4,108,908 and business-type activities increasing by \$7,628.
- Total cash receipts were \$42,784,769 in 2022.
- Total cash disbursements were \$38,668,233 in 2022.

Governmental Activities:

Total program cash receipts were \$28,470,196 in 2022, while program cash disbursements were \$38,658,928. Program cash disbursements were primarily composed of general government-legislative and executive, general government-judicial, public safety, public works, health, human services, community and economic development, and capital outlay cash disbursements which were \$5,313,857, \$2,246,429, \$4,227,785, \$3,619,937, \$3,253,368, \$12,454,227, \$1,173,149, and \$5,769,535, respectively, in 2022.

Business-Type Activities:

Program cash receipts were \$6,933 for business-type activities, while corresponding cash disbursements were \$9,305.

Using this Basic Financial Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The statement of net position-cash basis and statement of activities-cash basis provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed and what remains for future spending on the cash basis. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, the general fund, the American Rescue Plan Act fund, the children services levy fund, the motor vehicle gas tax fund, and the job and family services fund are the most significant funds and have been presented as major funds.

Reporting the County as a Whole

The County's Reporting Entity Presentation

This annual report includes all activities for which the County is fiscally responsible. These activities, defined as the County's reporting entity, are operated within separate legal entities that make up the primary government and the other separate legal entities. The primary government consists of Adams County. The component unit presentation includes the Adams County Land Reutilization Corporation presented on a cash basis in the statement of net position and statement of activities.

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Statement of Net Position-Cash Basis and the Statement of Activities-Cash Basis

While this document contains the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all cash basis financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position-cash basis and the statement of activities-cash basis report information about the County as a whole and about its activities in a way that helps answer this question. These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid. These two statements report the County's net position and changes in that position. This change in net position is important because it tells the reader whether, for the County as a whole, the cash basis financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the 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 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

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

Governmental Activities – Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, community and economic development, capital outlay, intergovernmental, and debt service.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The County's wastewater treatment program is reported as a business-type activity.

Component Unit Activities – As more fully described in Note 1 – Reporting Entity, the Adams County Land Reutilization Corporation is considered a component unit. Although Adams County Land Reutilization Corporation is a separate legal entity, the County includes their activities since the County is financially accountable for this entity.

Reporting the County's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's most significant funds that have been presented as major governmental funds are the general fund, the American Rescue Plan Act fund, the children services levy fund, the motor vehicle gas tax fund, and the job and family services fund.

Governmental Funds – Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net position and cash basis fund balances or changes in net position and changes in cash basis fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities-cash basis due to transfers and advances netted on the statement of activities-cash basis. See note 2 to the basic financial statements entitled government-wide financial statements.

Proprietary Funds – The County's proprietary fund uses the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The basis of accounting used for fiduciary funds is the cash basis of accounting. The County's only fiduciary funds are custodial funds.

The County as a Whole

Recall that the statement of net position-cash basis provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2022 as compared to 2021:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Equity in Pooled Cash and Cash Equivalents	\$27,838,293	\$23,704,515	\$14,270	\$6,642	\$27,852,563	\$23,711,157
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	0	0
Cash and Cash Equivalents in Segregated Accounts	144,675	169,545	0	0	144,675	169,545
<i>Total Assets</i>	<i>27,982,968</i>	<i>23,874,060</i>	<i>14,270</i>	<i>6,642</i>	<i>27,997,238</i>	<i>23,880,702</i>
Net Position						
Restricted	19,645,041	16,465,325	0	0	19,645,041	16,465,325
Unrestricted	8,337,927	7,408,735	14,270	6,642	8,352,197	7,415,377
<i>Total Net Position</i>	<i>\$27,982,968</i>	<i>\$23,874,060</i>	<i>\$14,270</i>	<i>\$6,642</i>	<i>\$27,997,238</i>	<i>\$23,880,702</i>

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

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

Table 2
 Net Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Receipts						
Program Cash Receipts						
Charges for Services and Sales	\$5,043,094	\$5,049,349	\$6,933	\$960	\$5,050,027	\$5,050,309
Operating Grants, Contributions, and Interest	20,285,315	19,451,084	0	0	20,285,315	19,451,084
Capital Grants, Contributions, and Interest	3,141,787	3,787,058	0	0	3,141,787	3,787,058
<i>Total Program Cash Receipts</i>	28,470,196	28,287,491	6,933	960	28,477,129	28,288,451
General Cash Receipts						
Property Taxes	5,632,957	5,262,916	0	0	5,632,957	5,262,916
Sales Taxes	6,573,318	5,268,195	0	0	6,573,318	5,268,195
Other Local Taxes	73,030	61,415	0	0	73,030	61,415
Payments in Lieu of Taxes	3,773	1,192	0	0	3,773	1,192
Grants and Entitlements not Restricted to Special Programs	1,252,558	1,239,317	0	0	1,252,558	1,239,317
Miscellaneous	258,592	221,033	0	0	258,592	221,033
Interest	271,947	35,804	0	0	271,947	35,804
Proceeds from Sale of Assets	22,565	69,600	0	0	22,565	69,600
Transfers	(10,000)	0	10,000	0	0	0
Special Items	218,900	0	0	0	218,900	0
Total General Cash Receipts	14,297,640	12,159,472	10,000	0	14,307,640	12,159,472
<i>Total Cash Receipts</i>	42,767,836	40,446,963	16,933	960	42,784,769	40,447,923

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Table 2
Net Change in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Cash Disbursements						
Program Cash Disbursements						
General Government						
Legislative and Executive	\$5,313,857	\$4,016,205	\$0	\$0	\$5,313,857	\$4,016,205
Judicial	2,246,429	1,923,049	0	0	2,246,429	1,923,049
Public Safety	4,227,785	4,021,196	0	0	4,227,785	4,021,196
Public Works	3,619,937	2,961,217	0	0	3,619,937	2,961,217
Health	3,253,368	2,761,383	0	0	3,253,368	2,761,383
Human Services	12,454,227	10,682,894	0	0	12,454,227	10,682,894
Community and Economic			0	0		
Development	1,173,149	2,115,824			1,173,149	2,115,824
Transportation	0	19,009	0	0	0	19,009
Capital Outlay	5,769,535	5,801,013	0	0	5,769,535	5,801,013
Intergovernmental	242,018	205,776	0	0	242,018	205,776
Debt Service:			0	0		
Principal Retirement	308,100	302,221	0	0	308,100	302,221
Interest and Fiscal Charges	50,523	58,413	0	0	50,523	58,413
Sewer	0	0	9,305	125	9,305	125
<i>Total Cash Disbursements</i>	<i>38,658,928</i>	<i>34,868,200</i>	<i>9,305</i>	<i>125</i>	<i>38,668,233</i>	<i>34,868,325</i>
<i>Change in Net Position</i>	<i>4,108,908</i>	<i>5,578,763</i>	<i>7,628</i>	<i>835</i>	<i>4,116,536</i>	<i>5,579,598</i>
<i>Net Position at Beginning of Year</i>	<i>23,874,060</i>	<i>18,295,297</i>	<i>6,642</i>	<i>5,807</i>	<i>23,880,702</i>	<i>18,301,104</i>
<i>Net Position at End of Year</i>	<i>\$27,982,968</i>	<i>\$23,874,060</i>	<i>\$14,270</i>	<i>\$6,642</i>	<i>\$27,997,238</i>	<i>\$23,880,702</i>

Governmental Activities

Net position increased \$4,108,908 in governmental activities in 2022. Program cash receipts were composed of charges for services, operating grants, contributions, and interest, and capital grants, contributions, and interest which were \$5,043,094, \$20,285,315, and \$3,141,787, respectively.

Cash receipts for governmental activities increased \$2,320,873 primarily due to an increase in public assistance grants and sales tax receipts over the prior year.

Program cash disbursements increased \$3,790,728 as additional public assistance grants were spent and due to the disbursement of unspent American Rescue Plan Act funds received the prior year.

Property taxes, sales taxes and operating grants, contributions, and interest made up 13, 15, and 47 percent, respectively for governmental activities for the County in 2022.

The statement of activities-cash basis shows the cost of program services and the charges for services and grants, contributions, and interest offsetting those services. Table 3 shows, for governmental and business-type activities, the total cost of services and the net cost of services (on the cash basis) for the County. That is, it identifies the cost of these services supported by tax receipts and unrestricted State entitlements. The dependence upon tax receipts and intergovernmental monies for governmental activities is apparent. For all governmental activities, general cash

Adams County
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(Unaudited)

receipts support is 37 percent as shown in Table 2. The taxpayers and the State of Ohio, as a whole, provide the vast majority of resources for Adams County.

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<i>Governmental Activities:</i>				
<i>General Government</i>				
Legislative and Executive	\$5,313,857	\$3,354,960	\$4,016,205	\$2,142,890
Judicial	2,246,429	1,516,141	1,923,049	856,055
Public Safety	4,227,785	2,498,336	4,021,196	2,111,009
Public Works	3,619,937	(2,423,523)	2,961,217	(2,254,328)
Health	3,253,368	(267,533)	2,761,383	(101,075)
Human Services	12,454,227	2,376,396	10,682,894	1,333,724
Community and Economic Development	1,173,149	(487,746)	2,115,824	(91,896)
Transportation	0	0	19,009	19,009
Capital Outlay	5,769,535	2,818,323	5,801,013	2,013,955
Intergovernmental	242,018	242,018	205,776	205,776
<i>Debt Service:</i>				
Principal Retirement	308,100	298,681	302,221	293,732
Interest and Fiscal Charges	50,523	43,779	58,413	51,858
<i>Total Cash Disbursements – Governmental Activities</i>	<u>\$38,658,928</u>	<u>\$9,969,832</u>	<u>\$34,868,200</u>	<u>\$6,580,709</u>
<i>Business-Type Activities:</i>				
Sewer Programs	\$9,305	\$2,372	\$125	(\$835)
<i>Total Cash Disbursements – Business-Type Activities</i>	<u>\$9,305</u>	<u>\$2,372</u>	<u>\$125</u>	<u>(\$835)</u>

Business-Type Activities

Business-type activities include wastewater treatment services. Program cash receipts supported the business-type activities with program cash receipts exceeding program cash disbursements. Overall net position increased \$7,628 from 2021 to 2022.

The County's Funds

These funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts, other financing sources, and special items of \$45,865,584 and cash disbursements and other financing uses of \$41,756,676. The net change in fund balance for the year was most significant in the American Rescue Plan Act fund, which increased \$2,000,835 as the County received the second half of ARPA funding during the year, while only a portion of prior year funds were actually spent during the year. The fund balance in the general fund increased \$934,195 due to an increase in sales tax collections. The fund balance of the children services levy fund decreased \$44,757 due primarily to an increase in spending. The fund balance of the motor vehicle gas tax fund increased \$197,660. Receipts were relatively consistent between years. There was an increase in capital outlay due to an increase in paving projects during the year. The fund balance in the job and family services fund increased \$12,583.

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. For the general fund, final budget basis receipts and other financing sources were \$9,419,136, above original budget estimates of \$8,669,610. Of this \$749,526 difference, sales taxes, charges for services, intergovernmental, and other receipts increased most significantly. Actual cash basis receipts and other financing sources were \$3,656,585 higher than final budgeted receipts due to advances in as well as significantly higher than expected sales tax collections. Final budgeted appropriations and other financing uses were \$11,849,081, which were above original appropriations and other financing uses of \$8,836,313. Of the \$3,012,768 difference, final budgeted appropriations in general government-legislative and executive and capital outlay disbursements increased most significantly. Total actual disbursements and other financing uses on the budget basis (cash outlays plus encumbrances) were \$12,211,151, which was \$362,070 above final budgeted appropriations. The actual fund balance for the general fund exceeded the final budgeted fund balance by \$3,294,515.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$5,769,535 during 2022.

Debt

Under the cash basis of accounting, the County does not report bonds or long-term loans in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds, long-term notes and short-term notes. At December 31, 2022, the County had \$2,155,140, in bonds and loans for governmental activities. For additional information on debt, please see note 9.

Table 4 summarizes bond and loan balances outstanding for governmental activities at December 31, 2022 and 2021:

Adams County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Table 4
 Outstanding Debt at December 31
 Business-Type Activities

	2022	2021
General Obligation Bonds	\$640,000	\$695,000
Special Assessment Bonds	180,307	188,781
Vehicle Loan	328,082	483,292
West Fork Road Improvement Bonds	28,000	42,000
Land Acquisition Bonds	86,300	94,930
OPWC Loans	892,451	959,237
Totals	\$2,155,140	\$2,463,240

Current Financial Related Activities

As the preceding information shows, the County heavily depends on its property taxpayers and sales taxpayers as well as intergovernmental monies. Since the property tax receipts do not grow at the same level as inflation and sales taxes are dependent upon the economy, the County will be faced with significant challenges over the next several years to contain costs and ultimately determine what options are available to the County to increase financial resources.

All of the County's financial abilities will be needed to meet the challenges of the future.

Additional Information

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 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will 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. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's cash basis finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Gifford, County Auditor of Adams County, 110 West Main Street, Room 104, West Union, Ohio 45693-1395, or email at david.gifford@auditor.adamscountyoh.gov.

Adams County
Statement of Net Position - Cash Basis
As of December 31, 2022

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Adams
	Activities	Activities		County Land Reutilization Corporation
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,838,293	\$14,270	\$27,852,563	\$0
Cash and Cash Equivalents in Segregated Accounts	144,675	0	144,675	0
Cash and Cash Equivalents	0	0	0	261,362
<i>Total Assets</i>	<u>27,982,968</u>	<u>14,270</u>	<u>27,997,238</u>	<u>261,362</u>
Net Position				
Restricted for:				
Debt Service	6,178	0	6,178	0
Capital Outlay	252,670	0	252,670	0
ACBDD	2,323,803	0	2,323,803	0
Motor Vehicle Gas Tax	3,306,325	0	3,306,325	0
Job and Family Services	1,026,344	0	1,026,344	0
Ambulance and EMS	803,171	0	803,171	0
Real Estate Assessment	1,490,940	0	1,490,940	0
Child Support Enforcement	1,739,097	0	1,739,097	0
Job Training/Economic Development	1,121,207	0	1,121,207	0
Children Services Levy	300,869	0	300,869	0
American Rescue Plan Act Grant	4,292,825	0	4,292,825	0
Other Purposes	2,947,745	0	2,947,745	0
Unclaimed Monies	33,867	0	33,867	0
Unrestricted	8,337,927	14,270	8,352,197	261,362
<i>Total Net Position</i>	<u>\$27,982,968</u>	<u>\$14,270</u>	<u>\$27,997,238</u>	<u>\$261,362</u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Program Receipts			
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$5,313,857	\$1,555,418	\$403,479	\$0
Judicial	2,246,429	717,633	12,655	0
Public Safety	4,227,785	953,003	776,446	0
Public Works	3,619,937	65,775	5,568,210	190,575
Health	3,253,368	728,365	2,792,536	0
Human Services	12,454,227	999,037	9,078,794	0
Community and Economic Development	1,173,149	7,700	1,653,195	0
Capital Outlay	5,769,535	0	0	2,951,212
Intergovernmental	242,018	0	0	0
Debt Service:				
Principal Retirement	308,100	9,419	0	0
Interest and Fiscal Charges	50,523	6,744	0	0
<i>Total Governmental Activities</i>	<u>38,658,928</u>	<u>5,043,094</u>	<u>20,285,315</u>	<u>3,141,787</u>
Business-Type Activities				
Rome Village Sewer	3,893	3,928	0	0
Sewer	5,412	3,005	0	0
<i>Total Business-Type Activities</i>	<u>9,305</u>	<u>6,933</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$38,668,233</u>	<u>\$5,050,027</u>	<u>\$20,285,315</u>	<u>\$3,141,787</u>
Component Unit				
Adams County Land Reutilization Corporation	\$260,946	\$0	\$245,136	\$0
<i>Total Component Unit</i>	<u>\$260,946</u>	<u>\$0</u>	<u>\$245,136</u>	<u>\$0</u>

General Receipts, Transfers, and Special Items

Property Taxes Levied for:
General Purposes
ACBDD
Children Services
EMS Services
911 System Services
Senior Citizens Services
Sales Taxes Levied for General Purposes
Other Local Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Interest
Miscellaneous
Proceeds from Sale of Assets
Transfers
Special Items
<i>Total General Receipts, Transfers, and Special Items</i>

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Disbursements) Receipts and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Adams County Land Reutilization Corporation
(\$3,354,960)	\$0	(\$3,354,960)	\$0
(1,516,141)	0	(1,516,141)	0
(2,498,336)	0	(2,498,336)	0
2,204,623	0	2,204,623	0
267,533	0	267,533	0
(2,376,396)	0	(2,376,396)	0
487,746	0	487,746	0
(2,818,323)	0	(2,818,323)	0
(242,018)	0	(242,018)	0
(298,681)	0	(298,681)	0
(43,779)	0	(43,779)	0
(10,188,732)	0	(10,188,732)	0
0	35	35	0
0	(2,407)	(2,407)	0
0	(2,372)	(2,372)	0
(10,188,732)	(2,372)	(10,191,104)	0
			(15,810)
			(15,810)
1,850,546	0	1,850,546	0
617,223	0	617,223	0
1,476,702	0	1,476,702	0
795,282	0	795,282	0
595,266	0	595,266	0
297,938	0	297,938	0
6,573,318	0	6,573,318	0
73,030	0	73,030	0
3,773	0	3,773	0
1,252,558	0	1,252,558	70,596
271,947	0	271,947	0
258,592	0	258,592	1,684
22,565	0	22,565	0
(10,000)	10,000	0	0
218,900	0	218,900	0
14,297,640	10,000	14,307,640	72,280
4,108,908	7,628	4,116,536	56,470
23,874,060	6,642	23,880,702	204,892
\$27,982,968	\$14,270	\$27,997,238	\$261,362

Adams County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
As of December 31, 2022

	General	American Rescue Plan Act	Children Services Levy
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,299,730	\$4,292,825	\$298,599
Cash and Cash Equivalents in Segregated Accounts	35,815	0	2,270
Restricted Cash and Cash Equivalents	33,867	0	0
<i>Total Assets</i>	<u>\$8,369,412</u>	<u>\$4,292,825</u>	<u>\$300,869</u>
Fund Balances			
Nonspendable	\$33,867	\$0	\$0
Restricted	0	4,292,825	300,869
Committed	0	0	0
Assigned	692,163	0	0
Unassigned	7,643,382	0	0
<i>Total Fund Balances</i>	<u>\$8,369,412</u>	<u>\$4,292,825</u>	<u>\$300,869</u>

See accompanying notes to the basic financial statements.

Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
\$3,305,968	\$1,026,344	\$10,580,960	\$27,804,426
357	0	106,233	144,675
0	0	0	33,867
<u>\$3,306,325</u>	<u>\$1,026,344</u>	<u>\$10,687,193</u>	<u>\$27,982,968</u>
\$0	\$0	\$0	\$33,867
3,306,325	1,026,344	10,684,811	19,611,174
0	0	2,382	2,382
0	0	0	692,163
0	0	0	7,643,382
<u>\$3,306,325</u>	<u>\$1,026,344</u>	<u>\$10,687,193</u>	<u>\$27,982,968</u>

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	American Rescue Plan Act	Children Services Levy
Receipts			
Property Taxes	\$1,850,546	\$0	\$1,476,702
Sales Taxes	6,573,318	0	0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	904	0	659
Special Assessments	0	0	0
Charges for Services	1,582,034	0	677,348
Licenses and Permits	1,985	0	0
Fines and Forfeitures	148,162	0	0
Intergovernmental	1,181,455	2,690,006	2,880,704
Interest	271,947	0	0
Rent	1,000	0	0
Other	141,700	0	25,004
<i>Total Receipts</i>	<u>11,753,051</u>	<u>2,690,006</u>	<u>5,060,417</u>
Disbursements			
Current:			
General Government:			
Legislative and Executive	4,220,358	147,896	0
Judicial	1,786,716	12,655	0
Public Safety	2,494,864	0	0
Public Works	128,262	0	0
Health	40,528	186,329	0
Human Services	415,307	0	5,330,471
Community and Economic Development	45,327	0	0
Capital Outlay	59,044	342,291	24,703
Intergovernmental	242,018	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>9,432,424</u>	<u>689,171</u>	<u>5,355,174</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,320,627	2,000,835	(294,757)
Other Financing Sources (Uses)			
Transfers In	0	0	250,000
Proceeds from Sale of Assets	0	0	0
Advances In	855,658	0	250,000
Transfers Out	(1,441,583)	0	0
Advances Out	(800,507)	0	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,386,432)</u>	<u>0</u>	<u>250,000</u>
Special Items	0	0	0
<i>Net Change in Fund Balances</i>	934,195	2,000,835	(44,757)
<i>Fund Balances at Beginning of Year</i>	<u>7,435,217</u>	<u>2,291,990</u>	<u>345,626</u>
<i>Fund Balances at End of Year</i>	<u>\$8,369,412</u>	<u>\$4,292,825</u>	<u>\$300,869</u>

See accompanying notes to the basic financial statements.

Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$2,305,709	\$5,632,957
0	0	0	6,573,318
0	0	73,030	73,030
0	0	2,210	3,773
0	0	16,163	16,163
31,499	173,756	1,953,546	4,418,183
0	0	5,584	7,569
12,488	0	430,453	591,103
5,041,609	5,243,620	7,610,580	24,647,974
31,601	0	85	303,633
0	4,576	4,500	10,076
28,633	51,183	12,072	258,592
5,145,830	5,473,135	12,413,932	42,536,371
0	0	945,603	5,313,857
0	0	447,058	2,246,429
0	0	1,732,921	4,227,785
2,831,787	0	659,888	3,619,937
0	0	3,026,511	3,253,368
0	5,454,512	1,253,937	12,454,227
0	0	1,127,822	1,173,149
2,068,201	6,040	3,269,256	5,769,535
0	0	0	242,018
244,626	0	63,474	308,100
22,456	0	28,067	50,523
5,167,070	5,460,552	12,554,537	38,658,928
(21,240)	12,583	(140,605)	3,877,443
0	0	1,181,583	1,431,583
0	0	22,565	22,565
0	0	550,507	1,656,165
0	0	0	(1,441,583)
0	0	(605,658)	(1,656,165)
0	0	1,148,997	12,565
218,900	0	0	218,900
197,660	12,583	1,008,392	4,108,908
3,108,665	1,013,761	9,678,801	23,874,060
\$3,306,325	\$1,026,344	\$10,687,193	\$27,982,968

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,775,000	\$1,790,000	\$1,844,282	\$54,282
Sales Taxes	3,614,503	4,000,000	6,573,318	2,573,318
Payments in Lieu of Taxes	0	0	904	904
Charges for Services	1,138,298	1,259,700	1,383,283	123,583
Licenses and Permits	1,636	1,810	1,985	175
Fines and Forfeitures	142,773	158,000	142,840	(15,160)
Intergovernmental	979,054	1,083,472	1,181,455	97,983
Interest	27,109	30,000	271,947	241,947
Rent	904	1,000	1,000	0
Other	623,777	694,654	134,922	(559,732)
<i>Total Receipts</i>	8,303,054	9,018,636	11,535,936	2,517,300
Disbursements				
Current:				
General Government:				
Legislative and Executive	2,676,304	4,875,761	4,505,601	370,160
Judicial	2,597,681	1,960,275	1,856,778	103,497
Public Safety	2,470,326	2,649,429	2,596,569	52,860
Public Works	125,323	145,159	129,721	15,438
Health	78,473	70,404	64,357	6,047
Human Services	433,194	463,761	450,764	12,997
Community and Economic Development	138,657	138,321	44,013	94,308
Capital Outlay	18,287	102,953	79,240	23,713
Intergovernmental	238,068	242,018	242,018	0
<i>Total Disbursements</i>	8,776,313	10,648,081	9,969,061	679,020
<i>Excess of Receipts Over (Under) Disbursements</i>	(473,259)	(1,629,445)	1,566,875	3,196,320
Other Financing Sources (Uses)				
Transfers In	366,556	400,500	684,127	283,627
Advances In	0	0	855,658	855,658
Transfers Out	(60,000)	(1,201,000)	(1,441,583)	(240,583)
Advances Out	0	0	(800,507)	(800,507)
<i>Total Other Financing Sources (Uses)</i>	306,556	(800,500)	(702,305)	98,195
<i>Net Change in Fund Balances</i>	(166,703)	(2,429,945)	864,570	3,294,515
<i>Fund Balances at Beginning of Year</i>	5,305,928	5,305,928	5,305,928	0
<i>Prior Year Encumbrances Appropriated</i>	444,593	444,593	444,593	0
<i>Fund Balances at End of Year</i>	\$5,583,818	\$3,320,576	\$6,615,091	\$3,294,515

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
American Rescue Plan Act Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$2,690,000	\$2,690,000	\$2,690,006	\$6
<i>Total Receipts</i>	<u>2,690,000</u>	<u>2,690,000</u>	<u>2,690,006</u>	<u>6</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	0	147,896	147,896	0
Judicial	0	12,655	12,655	0
Health	577,408	634,786	566,764	68,022
Capital Outlay	0	2,183,228	1,284,254	898,974
<i>Total Disbursements</i>	<u>577,408</u>	<u>2,978,565</u>	<u>2,011,569</u>	<u>966,996</u>
<i>Net Change in Fund Balances</i>	2,112,592	(288,565)	678,437	967,002
<i>Fund Balances at Beginning of Year</i>	1,714,582	1,714,582	1,714,582	0
<i>Prior Year Encumbrances Appropriated</i>	<u>577,408</u>	<u>577,408</u>	<u>577,408</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$4,404,582</u>	<u>\$2,003,425</u>	<u>\$2,970,427</u>	<u>\$967,002</u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Children Services Levy Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,390,000	\$1,445,614	\$1,449,845	\$4,231
Payments in Lieu of Taxes	0	0	659	659
Charges for Services	673,740	717,425	677,348	(40,077)
Intergovernmental	2,832,983	3,016,674	2,880,704	(135,970)
<i>Total Receipts</i>	<u>4,896,723</u>	<u>5,179,713</u>	<u>5,008,556</u>	<u>(171,157)</u>
Disbursements				
Current:				
Human Services	4,763,574	5,337,877	5,326,771	11,106
Capital Outlay	35,000	25,500	25,500	0
<i>Total Disbursements</i>	<u>4,798,574</u>	<u>5,363,377</u>	<u>5,352,271</u>	<u>11,106</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	98,149	(183,664)	(343,715)	(160,051)
Other Financing Sources (Uses)				
Transfers In	0	0	250,000	250,000
Advances In	0	0	250,000	250,000
Advances Out	0	0	(250,000)	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>
<i>Net Change in Fund Balances</i>	98,149	(183,664)	(93,715)	89,949
<i>Fund Balances at Beginning of Year</i>	102,427	102,427	102,427	0
<i>Prior Year Encumbrances Appropriated</i>	90,771	90,771	90,771	0
<i>Fund Balances at End of Year</i>	<u>\$291,347</u>	<u>\$9,534</u>	<u>\$99,483</u>	<u>\$89,949</u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gas Tax Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$20,000	\$20,000	\$31,499	\$11,499
Fines and Forfeitures	15,000	15,000	12,756	(2,244)
Intergovernmental	4,555,000	4,555,000	5,041,609	486,609
Interest	0	0	31,601	31,601
Other	10,000	10,000	28,633	18,633
<i>Total Receipts</i>	4,600,000	4,600,000	5,146,098	546,098
Disbursements				
Current:				
Public Works	2,955,512	3,125,493	2,883,481	242,012
Capital Outlay	2,157,529	2,764,284	2,656,930	107,354
Debt Service:				
Principal Retirement	248,330	248,330	244,626	3,704
Interest and Fiscal Charges	22,456	22,456	22,456	0
<i>Total Disbursements</i>	5,383,827	6,160,563	5,807,493	353,070
Special Items	0	0	218,900	218,900
<i>Net Change in Fund Balances</i>	(783,827)	(1,560,563)	(442,495)	1,118,068
<i>Fund Balances at Beginning of Year</i>	2,219,230	2,219,230	2,219,230	0
<i>Prior Year Encumbrances Appropriated</i>	783,829	783,829	783,829	0
<i>Fund Balances at End of Year</i>	\$2,219,232	\$1,442,496	\$2,560,564	\$1,118,068

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$177,473	\$186,050	\$173,756	(\$12,294)
Intergovernmental	5,009,000	5,251,084	5,243,620	(7,464)
Rent	5,723	6,000	4,576	(1,424)
Other	28,617	30,000	51,183	21,183
<i>Total Receipts</i>	5,220,813	5,473,134	5,473,135	1
Disbursements				
Current:				
Human Services	5,355,552	6,118,955	5,561,077	557,878
Capital Outlay	35,000	9,941	6,040	3,901
<i>Total Disbursements</i>	5,390,552	6,128,896	5,567,117	561,779
<i>Excess of Receipts Under Disbursements</i>	(169,739)	(655,762)	(93,982)	561,780
Other Financing Uses				
Transfers Out	0	(884)	0	884
<i>Total Other Financing Uses</i>	0	(884)	0	884
<i>Net Change in Fund Balances</i>	(169,739)	(656,646)	(93,982)	562,664
<i>Fund Balances at Beginning of Year</i>	881,434	881,434	881,434	0
<i>Prior Year Encumbrances Appropriated</i>	15,388	15,388	15,388	0
<i>Fund Balances at End of Year</i>	\$727,083	\$240,176	\$802,840	\$562,664

See accompanying notes to the basic financial statements.

Adams County
Statement of Fund Net Position - Cash Basis
Proprietary Fund
As of December 31, 2022

	Other Enterprise Fund
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,270
<i>Total Assets</i>	<i>14,270</i>
 Net Position	
Unrestricted	14,270
<i>Total Net Position</i>	<i>\$14,270</i>

See accompanying notes to the basic financial statements.

Adams County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2022

	<u>Other Enterprise Fund</u>
Operating Receipts	
Charges for Services	\$6,933
<i>Total Operating Receipts</i>	<u>6,933</u>
Operating Disbursements	
Salaries and Wages	2,565
Fringe Benefits	277
Contractual Services	6,084
Other	379
<i>Total Operating Disbursements</i>	<u>9,305</u>
<i>Operating Loss Before Transfers</i>	(2,372)
Transfers In	<u>10,000</u>
<i>Change in Net Position</i>	7,628
<i>Net Position Beginning of Year</i>	<u>6,642</u>
<i>Net Position End of Year</i>	<u><u>\$14,270</u></u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
As of December 31, 2022

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,382,679
Cash and Cash Equivalents in Segregated Accounts	<u>382,834</u>
<i>Total Assets</i>	<u>2,765,513</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>2,765,513</u>
<i>Total Net Position</i>	<u><u>\$2,765,513</u></u>

See accompanying notes to the basic financial statements.

Adams County
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2022

	Custodial
Additions	
Intergovernmental	\$4,143,906
Amounts Received as Fiscal Agent	4,522,799
Licenses and Permits and Fees for Other Governments	2,859,118
Fines and Forfeitures for Other Governments	776,520
Property Tax Collections for Other Governments	15,372,342
Excise Tax Collections for Other Governments	7,241
Sheriff Sale Collections for Others	675,312
<i>Total Additions</i>	28,357,238
Deductions	
Distributions as Fiscal Agent	4,162,643
Distributions of State Funds to Other Governments	4,204,551
Distributions to the State of Ohio	3,649,079
Property Tax Distributions to Other Governments	15,353,551
Excise Tax Distributions to Other Governments	7,464
Sheriff Sale Distributions to Others	684,241
<i>Total Deductions</i>	28,061,529
<i>Change in Net Position</i>	295,709
<i>Net Position at Beginning of Year</i>	2,469,804
<i>Net Position at End of Year</i>	\$2,765,513

See accompanying notes to the basic financial statements.

Note 1 – Reporting Entity

Adams County, Ohio (the County), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County operates under the direction of a three-member elected Board of County Commissioners. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the County which are maintained in the funds described below. Services provided by the County include general government, public safety, public works, health, human services, and community and economic development.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that 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 Board of Developmental Disabilities and all departments and activities that are directly operated by the elected County officials.

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. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the County, accessible to the County, and significant in amount to the County.

Discretely Presented Component Unit

The component unit column on the financial statements identifies the financial data of the County's component unit, the Adams County Land Reutilization Corporation. It is reported separately to emphasize that it is legally separate from the County.

Adams County Land Reutilization Corporation – The Adams County Land Reutilization Corporation was incorporated in February 2017 as a legally separate, not for profit corporation served by a seven-member self-appointed board. The Land Bank acquires abandoned, un-utilized, or blighted properties, through tax foreclosure of delinquent lands, property donations, and limited property purchases with the goal of redeveloping those properties to revitalize the County. The Land Bank operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Land Bank, West Union, Ohio. Information about the Land Bank is presented with the County's disclosures.

As the custodian of public funds, the County Treasurer invests all public monies on deposit in the County Treasury. In the case of separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies is presented as custodial funds within the County's financial statements: the Adams County Soil and Water Conservation District, the Adams County Health District, and the Adams County Family and Children First Council.

Jointly Governed Organization, Public Entity Shared Risk Pools, and Related Organizations

The County participates in one jointly governed organization and two public entity shared risk pools and is associated with one related organization. These organizations are presented in notes 10, 11, and 12 to the basic financial statements. These organizations are the Southern Ohio Council of Governments, County Risk Sharing Authority, Inc., the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan, and the Adams County Airport Authority.

The financial statements exclude the following entities which perform activities within the County's boundaries for the benefit of its residents because the County is not financially accountable for these entities nor are they fiscally dependent on the County. These organizations are the Adams County Educational Service Center, the Adams County Agricultural Society, and the Adams County Historical Society.

Management believes the financial statements included in this report represent all of the funds for which the County is financially accountable.

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.

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.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 relating 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.

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 typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. Under the cash basis of reporting, there is no difference between governmental fund assets and fund balance. The following are the County's major governmental funds:

General Fund – This fund is the general operating fund of the County and is used to account for all financial resources not accounted for or reported 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.

American Rescue Plan Act Special Revenue Fund – This fund is used to provide additional financial relief to state and local governments in the wake of the COVID-19 pandemic.

Children Services Levy Special Revenue Fund – This fund accounts for property taxes and federal funds restricted for programs designed to help abused, neglected, dependent, and troubled children and their families.

Motor Vehicle Gas Tax Special Revenue Fund – This fund is used for maintenance and repair of roads and bridges. The primary sources of revenues are monies received from state gasoline tax and motor vehicle registration fees designated.

Job and Family Services Special Revenue Fund – This fund is used to provide public assistance to general relief recipients, pay their providers of medical assistance, and for certain public social services. The primary sources of revenue are various federal and state grants as well as contributions from the general fund.

The other governmental funds of the County account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Proprietary Funds

The proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. Enterprise funds are the County's only proprietary fund type.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. For the County, the enterprise fund is the sewer fund, which is used to account for the activities related to wastewater treatment in the County.

Fiduciary Funds

Fiduciary fund reporting focuses on cash basis assets and changes in net cash 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 trust funds. The County's only fiduciary funds are custodial funds that account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. 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.

For comparability purposes, the Adams County Land Reutilization Corporation financial information has been presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP).

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 statements reflect the amounts on the certificate of estimated resources when the original appropriations were

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate 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.

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. At the close of each fiscal 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 fiscal year and need not be re-appropriated.

Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled and invested. Individual fund balance integrity is maintained through the County's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

Adams County has several County departments that maintain segregated bank accounts for funds held in a custodial capacity. Elected or appointed departmental officials are responsible for the financial records. The County Auditor does not have any operating control over these monies. The balances of these accounts are reported in the accompanying financial statements as "cash and cash equivalents in segregated accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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.

During 2022, the County funds are maintained in several checking accounts as well as invested in certificates of deposit with terms of twelve to twenty-four months. Investments are reported at cost.

All interest earnings are allocated to the general fund except those specifically related to those funds deemed appropriate according to state statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund, motor vehicle gas tax fund, and all other governmental funds during 2022 were \$271,947, \$31,601, and \$85, respectively.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted

assets include unclaimed monies that are required to be held for five years before they may be utilized by the County.

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 separately on the financial statements.

Compensated Absences

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described. All leave will either be absorbed by time off from work or, within certain limitations, paid to the employees.

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 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plan 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.

Long-Term Debt 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.

Leases

For 2022, GASB Statement No. 87, "Leases" was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles and other equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for federal and state grants, debt service, and capital outlay. None of the County's restricted net position is 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.

Fund Balances

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are 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 on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) 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 the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners or a County official delegated that authority by resolution or by State statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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.

Interfund Activity

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

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

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Basis Fund Balances

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balances – budget and actual – budget basis presented for the general fund, American Rescue Plan Act fund, children services levy fund, motor vehicle gas tax fund, and job and family services fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a restriction, commitment, or assignment of fund balance (cash basis).
2. Segregated cash that is held by custodial funds on behalf of County funds on a budget basis are allocated and reported on the cash basis in the appropriate County fund.
3. Custodial fund distributions to appropriate County funds.
4. As part of the Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” certain funds that were previously reported as custodial or special revenue funds are considered part of the general fund on a cash basis. These include the unclaimed monies fund, county Medicaid sales tax transition fund, certificate of title fund, and public defender fund. These funds were excluded from the budgetary presentation for the general fund.

	General	American Rescue Plan Act	Children Services Levy	Motor Vehicle Gas Tax	Job and Family Services
Cash Basis	\$8,369,412	\$4,292,825	\$300,869	\$3,306,325	\$1,026,344
Segregated Custodial Activity	(35,815)	0	(2,270)	(357)	0
Treasury Custodial Activity	(322,223)	0	(168,044)	(84,059)	(106,334)
Excluded Funds for					
Budget Purposes	(704,120)	0	0	0	0
Encumbrances	(692,163)	(1,322,398)	(31,072)	(661,345)	(117,170)
Budget Basis	\$6,615,091	\$2,970,427	\$99,483	\$2,560,564	\$802,840

Note 4 – Deposits and Investments

Primary Government

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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

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

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

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

At year end, the County had \$3,000 in undeposited cash on hand which is included as part of “equity in pooled cash and cash equivalents”.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$7,167,462 of the County’s bank balance of \$31,504,310 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

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

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

Component Unit – Adams County Land Reutilization Corporation (Land Bank)

At December 31, 2022, the carrying amount of the Adams County Land Reutilization Corporation’s deposits was \$261,362. The total bank balance consists of a checking account and was covered by federal deposit insurance up to \$250,000.

Note 5 – Taxes

Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles, not subject to the sales tax. In addition, the voters have authorized an additional 0.5 percent tax. The allocation of the sales tax is 1 percent to the County’s general fund and 0.5 percent was for Adams County Hospital. Effective April 1, 2020, the 0.5 percent that was going to Adams County Hospital went to the County’s general fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County to the Ohio Office of Budget and Management. The Tax Commissioner’s certification must be made within forty-five days after the end of each month.

Property Tax

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

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

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

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

The full tax rate for all County operations for the year ended December 31, 2022 was \$12.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$416,602,960
Public Utility Personal Property	<u>100,974,330</u>
Total	<u><u>\$517,577,290</u></u>

The Adams County Treasurer collects property taxes on behalf of all taxing districts within the County, including the County. The Adams County Auditor periodically remits to the County its portion of the taxes collected.

Note 6 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the County contracted with County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a \$2,500 deductible. Coverage provided by CORSA is as follows:

	<u>Limits of Coverage</u>
General Liability	\$1,000,000
Employee Benefit Liability	1,000,000
Law Enforcement Professional Liability	1,000,000
Public Officials Errors and Omissions Liability	1,000,000
Automobile Liability	1,000,000
Uninsured Motorist Liability	250,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	1,000,000
Building and Contents	Replacement Cost
Flood and Earthquake	125,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000
Money Orders/Counterfeit Currency	1,000,000

Note 7 – Defined Benefit Pension Plans

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension/OPEB Liability (Asset)

Pensions and OPEB 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.

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

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

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

The net pension/OPEB liability (asset) is not reported on the face of the financial statements, but rather is disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See note 8 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	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	Traditional Plan Formula: 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: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: 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 earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply

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

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

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

	State and Local	Public Safety	Law Enforcement
<i>Statutory Maximum Contribution Rates</i>			
Employer	14.0 %	18.1 %	18.1 %
Employee*	10.0 %	**	***
 <i>Actual Contribution Rates</i>			
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 at 4 percent for health care with the remainder going to pension.

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

For 2022, the County's contractually required contribution to OPERS was \$1,568,325.

Net Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the measurement date.

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The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability (Asset):			
Current Measurement Date	0.08885760%	0.03017700%	
Prior Measurement Date	<u>0.08975800%</u>	<u>0.02254000%</u>	
Change in Proportionate Share	<u>-0.00090040%</u>	<u>0.00763700%</u>	
Proportionate Share of the:			
Net Pension Liability	\$7,706,470	\$0	\$7,706,470
Net Pension Asset	0	(118,899)	(118,899)

Actuarial Assumptions – OPERS

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

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

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

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

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

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

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

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

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

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

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

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

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

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$20,318,449	\$7,706,470	(\$2,788,372)
OPERS Combined Plan	(88,720)	(118,899)	(142,435)

Note 8 – Postemployment Benefits

Net OPEB Liability (Asset)

See note 7 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System

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

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

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

The 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 balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for 2022.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.0849970%
Prior Measurement Date	0.0858100%
Change in Proportionate Share	-0.0008130%
Proportionate Share of the:	
Net OPEB Asset	(\$2,662,236)

Actuarial Assumptions - OPERS

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

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

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Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate:	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.50 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	3.25 percent

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

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

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

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

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	(\$1,565,645)	(\$2,662,236)	(\$3,572,424)

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

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$2,691,005)	(\$2,662,236)	(\$2,628,107)

Note 9 – Debt Obligations

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding the County's general long-term obligations during 2022 is as follows:

	Outstanding 12/31/21	Additions	Deletions	Outstanding 12/31/22	Due in One Year
<i>Governmental Activities</i>					
General Obligation Bonds, 1.65%-3.5%	\$695,000	\$0	(\$55,000)	\$640,000	\$55,000
<i>Direct Borrowings:</i>					
Special Assessment Bonds, 3.25%	188,781	0	(8,474)	180,307	8,752
Truck Loan, National Bank, 3.75%	483,292	0	(155,210)	328,082	161,030
West Fork Rd. Improvement Bonds, 3.50%	42,000	0	(14,000)	28,000	14,000
Land Acquisition Bonds 3.0%	94,930	0	(8,630)	86,300	8,630
<i>OPWC Loans:</i>					
OPWC Loan #CO02H, 0%	20,800	0	(5,200)	15,600	2,600
OPWC Loan #CO09I, 0%	53,019	0	(11,783)	41,236	5,892
OPWC Loan #CO05M, 0%	235,568	0	(12,734)	222,834	6,367
OPWC Loan #CO03O, 0%	123,396	0	(5,876)	117,520	2,938
OPWC Loan #CO02P, 0%	292,500	0	(13,000)	279,500	6,500
OPWC Loan #CO14Q, 0%	108,310	0	(11,401)	96,909	5,701
OPWC Loan #CO07S, 0%	125,644	0	(6,792)	118,852	3,396
Total OPWC Loans	959,237	0	(66,786)	892,451	33,394
<i>Total Long-Term Obligations</i>	\$2,463,240	\$0	(\$308,100)	\$2,155,140	\$280,806

General Obligation Debt

During 2012, the County issued general obligation bonds in the amount of \$1,135,000. The general obligation Bonds payments are being made annually and will mature in 2032. The bonds are being repaid from debt service funds.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Direct Borrowings

Special Assessment Debt

Outstanding special assessment bonds in the amount of \$320,163 were issued for the purpose of financing part of the cost of constructing a sanitary sewer line extension in the Peebles area. It is anticipated that the debt will be paid by the benefited property owners and not from the general funds of the County. However, County general funds are pledged for repayment. The bonds are payable over a period of thirty-nine years at 3.25% per annum, maturing June 1, 2039. The bonds are secured by the special assessment collections but are backed by the full faith and credit of the County in the event that property owners fail to make payments. The bonds are being repaid from debt service funds.

County Engineer Truck Loan

During 2020, the County entered into a loan agreement with National Bank for the purchase of four trucks for the County Engineer's office. The loan was in the amount of \$632,892 for a five-year period. The loan will be repaid through the motor vehicle gas tax fund.

Bonds

During 2014, the County Commissioners issued \$140,000 in West Fork Road Improvement bonds for the purpose of improving West Fork Road in the County. The bonds bear interest at 3.50% and mature in 2024. The bonds are being repaid from the motor vehicle gas tax fund.

During 2018, the County Commissioners issued \$129,500 of Land Acquisition Bonds to purchase property. These bonds have a 3.0% interest rate and will mature in 2032. These bonds are being repaid from the motor vehicle gas tax fund.

All general obligation bonds are supported by the full faith and credit of Adams County and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest payments.

Ohio Public Works Commission (OPWC) Debt

During 2005, the County entered into two grant/loan agreements with OPWC. The first agreement, pertaining to the Pence Road and Church Road Bridge Replacements, included a grant in the amount of \$364,000 and a loan (Loan #CO02H) in the amount of \$104,000 at 0% interest, with semi-annual payments of \$2,600, maturing July 1, 2025. The second agreement, pertaining to the Buck Run Road Bridge Replacement, included a grant in the amount of \$100,000 and a loan (Loan #CO09I) in the amount of \$235,669 for 2005 represented in the amortization schedule at 0% interest, with semiannual payments of \$5,892, maturing January 1, 2026. The OPWC loans are being repaid from the motor vehicle gas tax fund.

During 2009, the County entered into a grant/loan agreement with OPWC. The agreement, pertaining to Sproull Bridge Replacement, includes a grant of \$458,200 and a loan (Loan #CO05M) in the amount of \$382,000 at 0% interest. This loan is being paid in semi-annual installments of \$6,367, and matures on January 1, 2039. This loan is being repaid from the motor vehicle gas tax fund.

During 2011, the County entered into a grant/loan agreement (Loan CO03O) with OPWC Issue I Round 25 County, Townships and Village Road Improvements for the purpose of obtaining funds in the amount of \$176,280 for 30 years at 0% with semi-annual payments of \$2,938. The loan is being repaid from the motor vehicle gas tax fund.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

During 2012, the County entered into a grant/loan agreement (Grant CO01P) and (Loan CO02P) with OPWC. This agreement pertains to Beasley Fork Road Bridge Replacement, which included a grant in the amount of \$350,000 and a loan in the amount of \$390,000 at 0% interest, with semi-annual payments of \$6,500. The loan is being repaid from the motor vehicle gas tax fund.

During 2013, the County entered into a grant/loan agreement (Loan CO14Q) with OPWC, County, Townships, and Village Road Improvements, for the purpose of obtaining funds in the amount of \$193,820 for 17 years at 0% with semiannual payments of \$5,701. The loan is being repaid from the motor vehicle gas tax fund.

During 2016, the County entered into a grant/loan agreement (Loan CO07S) with OPWC County, Townships and Village Road and Bridges Improvements for the purpose of obtaining funds in the amount of \$163,000 for 30 years at 0% with semi-annual payments of \$3,396. The loan is being repaid from the motor vehicle gas tax fund.

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

At December 31, 2022, the County's overall legal debt margin was \$10,685,132 with an unvoted debt margin of \$5,175,773.

Amortization of the long-term debt obligations is as follows:

Year Ending December 31,	West Fork Road Improvement Bonds			Land Acquisition Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$14,000	\$980	\$14,980	\$8,630	\$2,590	\$11,220
2024	14,000	491	14,491	8,630	2,330	10,960
2025	0	0	0	8,630	2,072	10,702
2026	0	0	0	8,630	1,812	10,442
2027	0	0	0	8,630	1,553	10,183
2028-2032	0	0	0	43,150	3,883	47,033
Total	\$28,000	\$1,471	\$29,471	\$86,300	\$14,240	\$100,540

Year Ending December 31,	Special Assessment Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$8,752	\$5,789	\$14,541	\$33,394	\$0	\$33,394
2024	9,039	5,503	14,542	66,786	0	66,786
2025	9,335	5,207	14,542	66,786	0	66,786
2026	9,640	4,901	14,541	64,186	0	64,186
2027	9,956	4,585	14,541	49,802	0	49,802
2028-2032	54,894	17,812	72,706	237,610	0	237,610
2033-2037	64,496	8,209	72,705	192,005	0	192,005
2038-2042	14,195	347	14,542	152,955	0	152,955
2043-2044	0	0	0	28,927	0	28,927
Total	\$180,307	\$52,353	\$232,660	\$892,451	\$0	\$892,451

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Year Ending December 31,	General Obligation Bonds			County Engineer Truck Loan		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$55,000	\$20,488	\$75,488	\$161,030	\$12,303	\$173,333
2024	55,000	18,975	73,975	167,052	6,282	173,334
2025	60,000	17,462	77,462	0	0	0
2026	60,000	15,812	75,812	0	0	0
2027	65,000	13,863	78,863	0	0	0
2028-2033	345,000	36,613	381,613	0	0	0
Total	\$640,000	\$123,213	\$763,213	\$328,082	\$18,585	\$344,667

Note 10 – Jointly Governed Organization

Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a fifteen member board with each participating county represented by its Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. Financial statements can be obtained by writing to the Southern Ohio Council of Governments, VA Medical Center, Building 8, 17273 State Route 104, Chillicothe, Ohio, 45601.

Note 11 – Public Entity Shared Risk Pools

County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORSA) is a jointly governed organization among thirty-nine counties in Ohio. CORSA was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

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

No county may have more than one representative on the Board of Trustees 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 Commissioners 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 of Ohio 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 the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year and each elected member shall be a County Commissioner.

Note 12 – Related Organization

Adams County Airport Authority

The Adams County Airport Authority (the Authority) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Adams County Commissioners appointed five Board members to direct the Authority in January of 2019. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Board members are responsible for the safe and efficient operation and maintenance of the Authority. The Authority serves as custodian of its own funds and maintains all records and accounts independent of the County.

Note 13 – Health Care Benefits

The County provides life insurance and accidental death and dismemberment insurance to most employees with American United Life. The County has elected to provide employee medical/surgical benefits through Anthem and dental benefits through Delta Dental of Ohio. The employees share the cost of the monthly premium with the Board of Commissioners. The premium varies with employee depending on the terms of the union contract or personnel policy. Vision insurance is provided to employees by the County through Vision Plus of America.

Note 14 – Contingent Liabilities

Primary Government

Litigation

The County is party to legal proceedings. The County is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

Grants

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

Component Unit – Adams County Land Reutilization Corporation

As of December 31, 2022, there was no pending litigation against the Adams County Land Reutilization Corporation.

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 15 – Interfund Transactions

Transfers

During 2022, the following transfers were made:

	Transfers In	Transfers Out
<i>Major Funds</i>		
General Fund	\$0	\$1,441,583
Children Services Levy	250,000	0
All Other Governmental Funds	1,181,583	0
Other Enterprise Fund	10,000	0
Total All Funds	\$1,441,583	\$1,441,583

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget and to provide resources for current operations. All transfers were made in accordance with the Ohio Revised Code.

Advances

During 2022, the following advances were made:

	Advances In	Advances Out
<i>Major Funds</i>		
General Fund	\$855,658	\$800,507
Children Services Levy	250,000	250,000
All Other Governmental Funds	550,507	605,658
Total All Funds	\$1,656,165	\$1,656,165

During the year, the County’s general fund made advances to other funds in anticipation of intergovernmental grant revenue. Advances to the general fund were for repayments of advances.

Note 16 – 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, deferred inflows and outflows of resources, 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 17 – Fund Balances

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

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Fund Balances	General	American Rescue Plan Act	Children Services Levy	Motor Vehicle Gas Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>							
Unclaimed Monies	\$33,867	\$0	\$0	\$0	\$0	\$0	\$33,867
<i>Restricted for:</i>							
Ambulance & EMS	0	0	0	0	0	803,171	803,171
ACBDD	0	0	0	0	0	2,323,803	2,323,803
Other Purposes	0	0	0	0	0	2,947,745	2,947,745
Motor Vehicle Gas Tax	0	0	0	3,306,325	0	0	3,306,325
American Rescue Plan	0	4,292,825	0	0	0	0	4,292,825
Job & Family Services	0	0	0	0	1,026,344	0	1,026,344
Children Services Levy	0	0	300,869	0	0	0	300,869
Child Support Enforcement	0	0	0	0	0	1,739,097	1,739,097
DP&L Training	0	0	0	0	0	1,121,207	1,121,207
Real Estate Assessment	0	0	0	0	0	1,490,940	1,490,940
Capital Improvements	0	0	0	0	0	252,670	252,670
Debt Service	0	0	0	0	0	6,178	6,178
<i>Total Restricted</i>	<u>0</u>	<u>4,292,825</u>	<u>300,869</u>	<u>3,306,325</u>	<u>1,026,344</u>	<u>10,684,811</u>	<u>19,611,174</u>
<i>Committed to:</i>							
Debt Service	0	0	0	0	0	2,382	2,382
<i>Assigned to:</i>							
Other Purposes	692,163	0	0	0	0	0	692,163
<i>Unassigned</i>	<u>7,643,382</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,643,382</u>
Total Fund Balances	<u>\$8,369,412</u>	<u>\$4,292,825</u>	<u>\$300,869</u>	<u>\$3,306,325</u>	<u>\$1,026,344</u>	<u>\$10,687,193</u>	<u>\$27,982,968</u>

Note 18 – Significant Commitments

Encumbrances

At December 31, 2022, the County had a significant encumbrance commitments in the following governmental funds:

Fund	Amount
<i>Major Funds:</i>	
General Fund	\$693,993
American Rescue Plan Act Fund	1,322,398
Children Services Levy Fund	31,072
Motor Vehicle Gas Tax Fund	661,345
Job and Family Services Fund	117,170
Other Governmental Funds	2,686,003
Other Enterprise Funds	<u>192</u>
Total Encumbrances	<u>\$5,512,173</u>

Adams County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 19 - 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 ended in April 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

For 2022, the County did not sub-grant any funds to other governments and organization, nor were any funds returned to the granting agency or spent on-behalf of other governments. The County did not receive any funds as an on-behalf of grant from another government.

Note 20 – Subsequent Events

Primary Government

On January 3, 2023, the County was notified of \$2,845,552 in grant funding for the Village of West Union/Adams County Salamon Airport sewer extension project. On July 31, 2023, the County awarded the Lawshe Road Design Building Bridge Replacement project, in the amount of \$2,160,000, to DGM, Inc.

Component Unit

In January 2023, the County was awarded an additional \$250,000 in Abandoned Gas Station Cleanup Grant Program funds for use in cleanup efforts on properties held by the Adams County Land Reutilization Corporation.

Adams County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2022

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Provided to Subrecipients	Disbursements
United States Department of Agriculture				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-6890	10.561	\$0	\$282,979
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-6890	10.561	0	16,464
Total SNAP Cluster			0	299,443
Total United States Department of Agriculture			0	299,443
United States Department of Housing and Urban Development				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-21-1AA-1	14.228	0	137,330
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-X-19-1AA-1	14.228	0	484,087
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-X-19-1AA-2	14.228	0	344,700
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	966,117
Total United States Department of Housing and Urban Development			0	966,117
United States Department of Transportation				
<i>Direct from the Federal Government:</i>				
Airport Improvement Program:				
COVID-19 Airport Improvement Program and COVID-19 Airports Programs	N	20.106	0	11,550
COVID-19 Airport Improvement Program and COVID-19 Airports Programs	N	20.106	0	991
Airport Improvement Program and COVID-19 Airports Programs	N	20.106	0	1,194,788
Total Airport Improvement Program			0	1,207,329
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	PID #104681	20.205	0	170,575
Highway Planning and Construction	PID #104680	20.205	0	335,863
Total Highway Planning and Construction Cluster			0	506,438
Total United States Department of Transportation			0	1,713,767
United States Department of the Treasury				
<i>Passed Through Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus Relief Fund	HB481-CRF-Local	21.019	0	4,915
COVID-19 Coronavirus State and Local Fiscal Recovery Funds:	N/A	21.027	0	689,171
Total United States Department of the Treasury			0	694,086
Appalachian Regional Commission				
<i>Passed Through Ohio Department of Development:</i>				
Appalachian Area Development	ARC20C20021	23.002	0	101,381
Total Appalachian Regional Commission			0	101,381
United States Department of Education				
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Special Education-Grants for Infants and Families	H181A200024	84.181	0	40,675
Total United States Department of Education			0	40,675

(continued)

Adams County
Schedule of Federal Awards Expenditures (continued)
For the Year Ended December 31, 2022

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Provided to Subrecipients	Disbursements
United States Department of Health and Human Services				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Temporary Assistance for Needy Families (TANF)	G-2223-11-6890	93.558	\$561,842	\$1,527,427
Child Support Enforcement	G-2223-11-6890	93.563	0	674,942
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2223-11-6891	93.674	0	69,313
Foster Care_Title IV-E	G-2223-11-6891	93.658	0	1,621,182
Adoption Assistance	G-2223-11-6891	93.659	0	180,339
Child Care Development Fund Cluster:				
Child Care and Development Block Grant	G-2223-11-6890	93.575	0	42,260
Total Child Care Development Fund Cluster			0	42,260
COVID-19 Elder Abuse Prevention Interventions Program				
Children's Health Insurance Program	G-2223-11-6890	93.747	0	32,836
	G-2223-11-6890	93.767	0	2,580
MaryLee Allen Promoting Safe and Stable Families:				
MaryLee Allen Promoting Safe and Stable Families	G-2223-11-6890	93.556	0	17,402
MaryLee Allen Promoting Safe and Stable Families	G-2223-11-6891	93.556	0	26,869
Total MaryLee Allen Promoting Safe and Stable Families			0	44,271
Stephanie Tubbs Jones Child Welfare Services Program:				
Stephanie Tubbs Jones Child Welfare Services Program	G-2223-11-6890	93.645	0	2,151
Stephanie Tubbs Jones Child Welfare Services Program	G-2223-11-6891	93.645	0	30,299
Total Stephanie Tubbs Jones Child Welfare Services Program			0	32,450
Social Services Block Grant:				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Social Services Block Grant	G-2223-11-6890	93.667	0	507,201
<i>Passed Through Ohio Department of Developmental Disabilities:</i>				
Social Services Block Grant	2201OHSOSR	93.667	0	8,630
Total Social Services Block Grant			0	515,831
Medicaid Cluster:				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Medical Assistance Program	G-2223-11-6890	93.778	0	1,210,090
Total Medicaid Cluster			0	1,210,090
Total United States Department of Health and Human Services			561,842	5,953,521
United States Department of Homeland Security				
<i>Passed Through Ohio Emergency Management Agency:</i>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters):				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	FEMA-4360-DR-001-05866-00	97.036	0	255,215
Total United States Department of Homeland Security			0	255,215
United States Department of Election Assistance Commission				
<i>Passed Through Ohio Secretary of State:</i>				
HAVA Election Security Grants	N/A	90.404	0	3,624
Total United States Department of Election Assistance Commission			0	3,624
Total Federal Awards Expenditures			\$561,842	\$10,027,829

N - direct from federal government.
N/A - pass-through entity number not available.
See the accompanying notes to the schedule of federal awards expenditures.

Adams County
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2022

Note 1 – Basis of Presentation

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

Note 2 – Summary of Significant Accounting Policies and Indirect Cost Rate

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Subrecipients

The County passes certain federal awards received from Ohio Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As note 2 describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

Note 4 – Matching Requirements

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with applicable matching requirements. The expenditure on non-federal matching funds is not included in the schedule.

Note 5 – Community Development Block Grant (CDBG) Revolving Loan Programs Without Continuing Compliance Requirements

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Development Services Agency. During 2022, administrative costs were incurred, while no loans were made. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans. These loans are collateralized by mortgages on the property.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Adams County, Ohio (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 27, 2023, 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 will impact subsequent periods of the County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

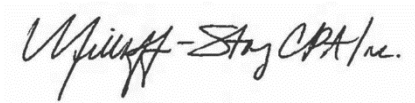
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002.

County's Response to Finding

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 questioned costs. 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 those 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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 27, 2023

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Commissioners
Adams County
110 West Main Street
West Union, Ohio 45693

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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.

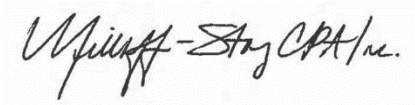
Report on Internal Control Over Compliance

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 a 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Millhuff-Stang CPA, Inc." The signature is written in a cursive, flowing style.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

September 27, 2023

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified (Cash Basis)
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		Yes
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major federal programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		TANF (AL #93.558), Medicaid Cluster (AL #93.778), Community Development Block Grant/State’s Program (AL #14.228), COVID-19 Airport Improvement Program and COVID-19 Airports Programs (AL #20.106)
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?		No

Section II – Financial Statement Findings

Finding 2022-001

Noncompliance – Annual Financial Reports

Ohio Revised Code Section 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 Administrative Code 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). This report is required to be filed with the Auditor of State’s office within 150 days of fiscal year-end. The County prepares its financial statements in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, deferred inflows and outflows of resources, net position and fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other remedies may be

Adams County
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2022

Finding 2022-001 (Continued)

Noncompliance – Annual Financial Reports (Continued)

taken against the County. As such, we recommend the County take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Client Response:

See corrective action plan.

Finding 2022-002

Noncompliance – Contract Bidding

Ohio Revised Code Section 307.86 requires competitive bidding for procurements exceeding \$50,000 except where otherwise provided by law. The following exceptions apply:

The commissioners, by unanimous vote (defined as all three commissioners when all three are present, or two commissioners if only two are present and they constitute a quorum), can declare an emergency and waive the competitive bidding when any of the following apply:

1. the estimated cost is less than \$100,000 [Ohio Revised Code Section 307.86(A)(1)], or
2. there is physical disaster to structures, radio communications equipment, or computers. [Ohio Revised Code Section 307.86(A)(2)]
3. The product to be purchased is personal protective equipment and the purchase is completed during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020. [Ohio Revised Code Section 307.86(A)(3)] (Executive Order 2020-01D was rescinded by Executive Order 2021-08D on June 18, 2021)

During testing we noted total payments to one vendor that exceeded the competitive bidding threshold; however, the project for road patching and base repair work was not competitively bid. Additionally, we found no evidence that the contract met any of the exceptions noted above. The County paid multiple invoices all in a narrow time frame indicating that bid splitting may have existed. We recommend the County take steps to ensure that all contracted work that exceeds the competitive bidding threshold is properly bid in accordance with state laws and that documentation is maintained if it meets one of the exceptions allowed.

Client Response:

See corrective action plan.

Section III – Federal Award Findings and Questioned Costs
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None

Adams County Auditor

David Gifford

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110 West Main Street, West Union OH 45693

Phone: (937) 544-2364

Fax: (937) 544-1016

e-mail: david.gifford@auditor.adamscountyoh.gov

Website: adamscountyauditor.org

Corrective Action Plan

2 CFR Section 200.511(c)

For the Year Ended December 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Adams County officials have reviewed the cost of converting to GAAP reporting and have concluded that such conversion would not be financially feasible. Therefore, the County will continue on the OCBOA basis of financial reporting.	N/A	David Gifford, County Auditor
2022-002	In the future the Engineer's office will investigate projects more thoroughly before work begins.	9/28/23	Lee Pertuset, Engineer

Adams County Auditor

David Gifford

Adams County Courthouse, Room 104
110 West Main Street, West Union OH 45693

Phone: (937) 544-2364

Fax: (937) 544-1016

e-mail: david.gifford@auditor.adamscountyoh.gov

Website: adamscountyauditor.org

Schedule of Prior Audit Findings

2 CRF Section 200.511(b)

For the Year Ended December 31, 2022

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2021-001	Noncompliance with ORC Section 117.38/OAC Section 117-2-03(B) – Annual Financial Reports	No	Reissued as Finding 2022-001

OHIO AUDITOR OF STATE KEITH FABER



ADAMS 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 11/21/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov