PIKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT
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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Pike County
230 Waverly Plaza, Ste 200
Waverly, OH 45690

We have reviewed the *Independent Auditor's Report* of Pike 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. Pike County is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 11, 2023

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Board of Commissioners
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

Report on the Audit of the Financial Statements

Opinions

We have audited 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 Pike 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 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 financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Motor Vehicle Gas Tax, Board of Developmental Disabilities, and American Rescue Plan Act Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the County's proportionate share of the net pension and OPEB liabilities (assets), and the schedules of County contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Award 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 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.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

November 10, 2023

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- The County's net position increased $9,430,784, as a result of this year's operations. Net position of our business-type activities increased $8,190,978, and net position of our governmental activities increased $1,239,806.
- General revenues for governmental activities accounted for $18,832,797 in revenue or 40.15 percent of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants, contributions, and interest accounted for $28,074,836 or 59.85 percent of total revenues of $46,907,633.
- The County had $37,420,634 in expenses related to governmental activities; $28,074,836 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pike County as a financial whole or as an entire operating entity. The statements then proceed to provide a detailed look at specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?"

The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, and deferred outflows and inflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it informs the reader whether, for the County as a whole, the financial position of the County is as strong as it once was. This is the result of many factors, some of which the County can control and some of which it cannot. Non-controllable financial factors include rising insurance costs, workers compensation costs, declining consumption based tax revenues due to the state and federal economic downturn, low rates of return on investments, revenue cuts, and the restriction of revenue growth due to the political culture at the state and national levels. In addition, unfunded mandated programs are still problematic in all counties as are many other specific causative factors in which local government has little control over.

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

- Governmental Activities - Most of the County's programs and services are reported here including public safety, public works, health, human services, conservation and recreation, economic development and assistance, legislative and executive, and judicial.
- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Pike County sewer fund is reported as a business-type activity.

The financial activity of the Pike County Land Reutilization Corporation, as a component unit of the County, is presented in a single column on the statement of net position and the statement of activities. While the County provides services and resources to the Pike County Land Reutilization Corporation, this discrete presentation is made in order to emphasize that it is still a legally separate organization from the County. However, focus on the government-wide financial statements clearly remains on the County as the primary government.

Reporting the County's Most Significant Funds

<u>Fund Financial Statements</u>

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 major governmental funds are the general fund, motor vehicle gasoline tax fund, board of developmental disabilities fund, and American rescue plan act 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term 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 financial resources that can be spent in the near future to finance County operations. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activity in the government-wide financial statements. The County uses an enterprise fund to account for its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Specifically, the internal service funds account for the health reimbursement account program for employees of the County.

Fiduciary Funds These funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that of the proprietary funds.

The County as a Whole

Government-Wide Financial Analysis

You may recall that the statement of net position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position at December 31, 2022 and 2021:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Assets						
Current and Other Assets	$38,146,428	$42,189,552	$8,480,085	$299,748	$46,626,513	$42,489,300
Capital Assets, Net	39,075,374	38,780,521	6,508,794	6,667,952	45,584,168	45,448,473
Total Assets	77,221,802	80,970,073	14,988,879	6,967,700	92,210,681	87,937,773
Deferred Outflows	2,609,181	2,522,990	125,914	24,379	2,735,095	2,547,369
Liabilities						
Current and Other Liabilities	3,136,232	4,270,487	24,310	9,289	3,160,542	4,279,776
Long-Term Liabilities						
Due Within One Year	1,481,839	1,418,796	17,639	15,672	1,499,478	1,434,468
Other Amounts Due in More Than One Year	8,726,114	8,713,164	218,468	224,529	8,944,582	8,937,693
Net Pension Liability	6,658,577	11,526,664	63,605	114,347	6,722,182	11,641,011
Total Liabilities	20,002,762	25,929,111	324,022	363,837	20,326,784	26,292,948
Deferred Inflows	15,052,532	14,028,069	95,791	124,240	15,148,323	14,152,309
Net Position						
Net Investment in Capital Assets	29,084,116	29,823,411	6,293,414	6,445,863	35,377,530	36,269,274
Restricted	19,049,836	20,445,604	0	0	19,049,836	20,445,604
Unrestricted (Deficit)	(3,358,263)	(6,733,132)	8,401,566	58,139	5,043,303	(6,674,993)
Total Net Position	$44,775,689	$43,535,883	$14,694,980	$6,504,002	$59,470,669	$50,039,885

*As restated. See note 23 to the notes to the basic financial statements.

The net pension liability (NPL) is one of the largest liabilities reported by the County at December 31, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The County also reports a net OPEB asset pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability, when applicable. As explained above, changes in benefits, contribution rates, and return on investments affect the balances of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability, when applicable, are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

For governmental activities, the decrease in current and other assets is primarily due to a decrease in cash and cash equivalents, which was partially offset by increases in intergovernmental receivable and net OPEB asset. Cash and cash equivalents decreased due to a large transfer to the County's sewer fund. Intergovernmental receivable increased significantly primarily due to a receivable for Issue II monies. Capital assets, net increased slightly due to acquisitions in excess of depreciation and disposals. Current and other liabilities for governmental activities decreased primarily as a result of the conversion of prior year's unearned revenue into current revenue during the year, which was partially offset by increases in accounts and contracts payable. Long-term liabilities in the governmental activities decreased due to decreases in the net pension liabilities and due to principal payments on long-term debt, which was partially offset by increases for new debt issuances during the year. Net OPEB assets, net pension liabilities, and deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

Current and other assets for business-type activities had a significant increase in cash and cash equivalents due to the receipt of a large transfer from governmental activities. Capital assets, net decreased due to depreciation, which was partially offset by additions. Current and other liabilities of business-type activities increased due to an increase in accounts payable. Long-term liabilities in the business-type activities decreased due to decreases in the net pension liabilities and due to principal payments on long-term debt. Net OPEB assets, net pension liabilities, and deferred outflows and inflows of resources changed between years as a result of changes reported by the retirement systems.

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

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Revenues						
Program Revenues:						
Charges for Services and Sales	$5,582,012	$5,876,765	$758,310	$700,680	$6,340,322	$6,577,445
Operating Grants, Contributions, and Interest	20,542,137	17,214,677	0	60,339	20,542,137	17,275,016
Capital Grants, Contributions, and Interest	1,950,687	755,473	0	0	1,950,687	755,473
Total Program Revenues	28,074,836	23,846,915	758,310	761,019	28,833,146	24,607,934
General Revenues:						
Property, Sales, and Other Local Taxes and Payments in Lieu of Taxes	11,733,565	11,701,744	0	0	11,733,565	11,701,744
Unrestricted Grants and Entitlements	1,468,927	1,488,392	0	0	1,468,927	1,488,392
Unrestricted Contributions and Donations	6,275	10,500	0	0	6,275	10,500
Investment Earnings	(392,063)	3,044	0	0	(392,063)	3,044
Gain on Sale of Assets	0	24,538	0	0	0	24,538
Other	6,016,093	323,112	2,162	37,947	6,018,255	361,059
Total General Revenues	18,832,797	13,551,330	2,162	37,947	18,834,959	13,589,277
Total Revenues	46,907,633	37,398,245	760,472	798,966	47,668,105	38,197,211
Program Expenses						
General Government:						
Legislative and Executive	8,899,055	3,757,543	0	0	8,899,055	3,757,543
Judicial	3,261,561	1,179,630	0	0	3,261,561	1,179,630
Public Safety	5,066,685	2,178,916	0	0	5,066,685	2,178,916
Public Works	9,168,689	6,286,185	0	0	9,168,689	6,286,185
Health	3,436,185	2,751,883	0	0	3,436,185	2,751,883
Human Services	5,679,799	4,514,561	0	0	5,679,799	4,514,561
Economic Development and Assistance	962,362	1,221,121	0	0	962,362	1,221,121
Intergovernmental	833,761	210,664	0	0	833,761	210,664
Interest and Fiscal Charges	112,537	139,005	0	0	112,537	139,005
Pike County Sewer	0	0	816,687	803,794	816,687	803,794
Total Expenses	37,420,634	22,239,508	816,687	803,794	38,237,321	23,043,302

Table 2
Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Transfers	($8,247,193)	$0	$8,247,193	$0	$0	$0
Change in Net Position	1,239,806	15,158,737	8,190,978	(4,828)	9,430,784	15,153,909
Net Position at Beginning of Year-Restated	43,535,883	N/A	6,504,002	6,508,830	50,039,885	N/A
Net Position at End of Year	$44,775,689	$43,535,883	$14,694,980	$6,504,002	$59,470,669	$50,039,885

*Certain reclassifications were made for consistency of reporting between years.

Governmental Activities

Capital grants, contributions, and interest increased due to a significant increase in receivables due from grantors for road and bridge projects reported in the current year as compared to the prior year. Operating grants, contributions, and interest increased significantly due to the recognition of federal ARPA grants in the current year. This was partially offset by a decrease for other COVID-19 funding received in the prior year that was not received in the current year. Investment earnings decreased between years due to a decrease in the fair value of investments reported by the County for the year. Miscellaneous revenues increased between years due to reimbursements of ARPA funds to other funds for prior year expenses.

Total expenses of governmental activities increased $15,181,126. Expenses recognized related to net pension and OPEB activity during the year totaled a negative $4,987,894, compared to a negative $10,405,066 recognized in the prior year. This resulted in an increase between years of $5,417,172. Most of the expense related to net pension and OPEB activity is actuarially determined and provided to the County based on the County's proportionate share of its contributions to the respective retirement systems as compared to total contributions received from all participants in those retirement systems. Backing this change out of the total change in expenses for the County, the resulting change is an increase of $9,763,954. Approximately $5.4 million of this increase was due to ARPA reimbursements to other funds for prior year expenses incurred and determined to be eligible for reimbursement during the current year. The County also had significant uncapitalizable expenses for road repairs due to various road slips and small culvert replacements or repairs. The remaining differences are various increases in operating costs between years.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions, and interest offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021*	2022	2021*
General Government:				
Legislative and Executive	$8,899,055	$3,757,543	$3,791,312	$1,874,018
Judicial	3,261,561	1,179,630	1,368,177	220,461
Public Safety	5,066,685	2,178,916	2,497,576	802,865
Public Works	9,168,689	6,286,185	1,062,862	(1,739,237)
Health	3,436,185	2,751,883	1,207,565	(374,575)
Human Services	5,679,799	4,514,561	(815,441)	(1,988,603)
Economic Development and Assistance	962,362	1,221,121	(314,052)	(516,040)
Intergovernmental	833,761	210,664	574,891	151,167
Interest on Long-Term Debt	112,537	139,005	(27,092)	(37,463)
Total Expenses	$37,420,634	$22,239,508	$9,345,798	($1,607,407)

*Certain reclassifications were made for consistency of reporting between years.

The County is dependent upon tax revenues for the funding of governmental activities. The majority of public safety and general government expenses are supported through taxes and other general revenues. For all governmental activities, tax revenue generated by the community is by far the primary support for the County.

Business-Type Activities

Business-type activities include the Pike County sewer fund. This program had total revenues of $760,472 and expenses of $816,687 for 2022. The general fund also transferred approximately $8.2 million to the sewer fund for future infrastructure projects. As previously discussed, management reviews the operations and fees and sets the user fee structure. Business-type activities generally receive no support from tax revenues.

The County's Funds

Information about the County's major funds starts governmental fund balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $49,295,142 and expenditures and other financing uses of $53,124,922. The net change in fund balance for the year was most significant in the general fund, which decreased $2,168,674, which was primarily due to a transfer to the sewer fund in the amount of $8,247,193. Excluding this transfer, the general fund balance experienced an increase of $6,078,519. $1,085,677 of this increase was a transfer from the emergency medical services fund, which transferred its residual balance to the County following the privatization and separation of the EMS department from the County. The general fund also received approximately $5.4 million in reimbursements of prior year expenditures from the ARPA grant. Expenditures increased due to a grant of $500,000 to the Pike County Agricultural Society, increases in contractual costs for attorneys fees, prisoner housing, and other related costs due to the Wagner trial, in addition to various increases in operating costs.

The motor vehicle gasoline tax fund had a decrease in fund balance in the amount of $1,154,352 primarily due to an increase in uncapitalizable costs for repairs and maintenance of roads and small culverts. The board of developmental disabilities fund had a decrease of $538,862 due to decreases in grant revenues, while also experiencing an increase in expenditures due to increased personnel and other operating costs. The American rescue act plan did not have an increase or decrease in fund balance. Revenues equaled expenditures as earned revenue was recognized for expenditures incurred.

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.

During the course of 2022, the County amended its general fund budget numerous times. The County uses department-based budgeting, and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the general fund, original budget basis revenues were $9,214,908. The final budget of $16,609,031, which was a $7,394,123 increase from original estimates. Revenue estimates increased most significantly for other revenues, due to the receipt of ARPA reimbursements for prior year expenditures. Actual budget basis revenues were $17,723,424, which was $1,114,393 above final estimates, due primarily to higher than expected property and sales taxes, charges for services, and intergovernmental revenues, which was partially offset by lower than expected other revenues. Original budget basis expenditures were $8,047,567. Final budget basis expenditures were $13,086,937, above original estimates by $5,039,370, due mainly to increases in legislative and executive, judicial, public safety, and intergovernmental expenditures. Expenditures increased due to a grant of $500,000 to the Pike County Agricultural Society, increases in contractual costs for attorneys fees, prisoner housing, and other related costs due to the Wagner trial, in addition to various increases in operating costs. Actual expenditures, totaling $12,653,537, were monitored closely and resulted in lower than expected spending primarily for legislative and executive expenditures.

The County's ending unobligated general fund cash balance was $2,690,460 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2022, the County had $45,584,168 invested in land, construction in progress, furniture and fixtures, buildings and improvements, machinery and equipment, vehicles, and infrastructure, of which $39,075,374 was in governmental activities. Table 4 shows balances as of December 31, 2022 and 2021.

Table 4
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Land	$1,844,261	$1,844,261	$7,000	$7,000	$1,851,261	$1,851,261
Construction in Progress	58,040	910,000	0	0	58,040	910,000
Furniture and Fixtures	22,339	28,054	0	0	22,339	28,054
Buildings and Improvements	4,983,335	5,099,406	180,932	188,617	5,164,267	5,288,023
Machinery and Equipment	782,717	856,218	153,779	80,084	936,496	936,302
Vehicles	1,126,594	1,086,273	48,960	31,141	1,175,554	1,117,414
Infrastructure	30,258,088	28,956,309	6,118,123	6,361,110	36,376,211	35,317,419
Total Capital Assets	$39,075,374	$38,780,521	$6,508,794	$6,667,952	$45,584,168	$45,448,473

*As restated. See note 23 to the notes to the basic financial statements.

See note 11 of the notes to the basic financial statements for more information on the County's capital assets.

Debt

As of December 31, 2022, the County had $9,166,923 in bonds and loans outstanding, with $602,090 of this long-term debt due within one year. Table 5 summarizes long-term bonds and loans outstanding.

Table 5
Long-Term Debt Obligations at Year-End

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
OPWC Loans	$6,342,633	$5,955,236	$0	$0
OWDA Loans	0	1,125	215,380	222,089
USDA Loans/Bonds	467,510	521,900	0	0
Revenue Bonds	1,527,200	1,682,700	0	0
General Obligation Bonds	614,200	755,100	0	0
Total Debt Obligations	$8,951,543	$8,916,061	$215,380	$222,089

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000.

The County's legal debt margin as of December 31, 2022 is $3,369,506.

See note 16 of the notes to the basic financial statements for more information regarding the County's debt.

For the Future

The County is continuing to monitor its finances closely due to the tightening of finances that Pike County, and most other counties of comparable size, have experienced for the past several years. The County heavily depends on its sales tax revenue in the budgeting process. The cash position of Pike County's general fund has increased substantially in 2021 and we hope the trend continues in the future.

In conclusion, the County has committed itself to fiscal responsibility and conservative financial management for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities and resources will be needed to meet the challenges of the future as all subdivisions of local government are entrenched in the battle of increasing general operating costs, decreasing revenues, and the likelihood of sweeping tax law changes.

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 finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, contact Davida Brown, County Auditor, 230 Waverly Plaza, Suite 200, Waverly, Ohio 45690, or e-mail at davida.brown@pikecountyoh.gov or telephone at (740) 947-4125.

Pike County
Statement of Net Position
As of December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Pike County Land Reutilization Corporation
Assets				
Equity in Pooled Cash and Investments	$22,491,605	$8,362,353	$30,853,958	$82,930
Cash and Cash Equivalents in Segregated Accounts	74,963	0	74,963	0
Cash and Cash Equivalents with Fiscal Agents	13,528	0	13,528	0
Materials and Supplies Inventory	542,062	19,500	561,562	0
Accrued Interest Receivable	26,748	0	26,748	0
Accounts Receivable	99,579	65,961	165,540	5,269
Intergovernmental Receivable	4,793,925	0	4,793,925	144,295
Assets Held for Development	0	0	0	478,695
Prepaid Items	198,924	1,886	200,810	0
Sales Tax Receivable	1,759,181	0	1,759,181	0
Other Local Taxes Receivable	2,874	0	2,874	0
Property Taxes Receivable	5,665,559	0	5,665,559	0
Loans Receivable (Net of Allowance)	295,282	0	295,282	0
Net OPEB Asset	2,182,198	30,385	2,212,583	0
Nondepreciable Capital Assets	1,902,301	7,000	1,909,301	0
Depreciable Capital Assets, Net	37,173,073	6,501,794	43,674,867	0
Total Assets	77,221,802	14,988,879	92,210,681	711,189
Deferred Outflows of Resources				
Pension	2,570,988	123,557	2,694,545	0
OPEB	38,193	2,357	40,550	0
Total Deferred Outflows of Resources	2,609,181	125,914	2,735,095	0
Liabilities				
Accounts Payable	1,437,762	15,806	1,453,568	0
Accrued Wages and Benefits Payable	445,838	6,014	451,852	0
Contracts Payable	975,879	0	975,879	142,295
Intergovernmental Payable	200,286	2,490	202,776	0
Accrued Interest Payable	36,420	0	36,420	0
Claims Payable	40,047	0	40,047	0
Long-Term Liabilities:				
Due Within One Year	1,481,839	17,639	1,499,478	0
Due in More Than One Year:				
Other Amounts Due in More Than One Year	8,726,114	218,468	8,944,582	0
Net Pension Liability	6,658,577	63,605	6,722,182	0
Total Liabilities	20,002,762	324,022	20,326,784	142,295
Deferred Inflows of Resources				
Property Taxes Not Levied to Finance Current Year Operations	4,446,099	0	4,446,099	0
Pension	8,243,159	88,023	8,331,182	0
OPEB	2,363,274	7,768	2,371,042	0
Total Deferred Inflows of Resources	15,052,532	95,791	15,148,323	0
Net Position				
Net Investment in Capital Assets	29,084,116	6,293,414	35,377,530	0
Restricted for Debt Service	333,822	0	333,822	0
Restricted for Capital Outlay	187,496	0	187,496	0
Restricted for Other Purposes	17,976,801	0	17,976,801	0
Restricted for Unclaimed Monies	551,717	0	551,717	0
Unrestricted (Deficit)	(3,358,263)	8,401,566	5,043,303	568,894
Total Net Position	$44,775,689	$14,694,980	$59,470,669	$568,894

See accompanying notes to the basic financial statements.

Pike County
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Primary Government				
Governmental Activities				
General Government:				
Legislative and Executive	$8,899,055	$1,391,752	$3,715,991	$0
Judicial	3,261,561	495,859	1,397,525	0
Public Safety	5,066,685	685,838	1,883,271	0
Public Works	9,168,689	613,271	5,541,869	1,950,687
Health	3,436,185	1,073,044	1,155,576	0
Human Services	5,679,799	183,835	6,311,405	0
Economic Development and Assistance	962,362	1,059,600	216,814	0
Intergovernmental	833,761	0	258,870	0
Interest on Long-Term Debt	112,537	78,813	60,816	0
Total Governmental Activities	37,420,634	5,582,012	20,542,137	1,950,687
Business-Type Activities				
Pike County Sewer	816,687	758,310	0	0
Total Business-Type Activities	816,687	758,310	0	0
Total Primary Government	$38,237,321	$6,340,322	$20,542,137	$1,950,687
Component Unit				
Pike County Land Reutilization Corporation	$122,938	$598,523	$0	$0
Total Component Unit	$122,938	$598,523	$0	$0

General Revenues and Transfers
Property Taxes Levied for:
General Purposes
Health
Human Services
Sales Taxes Levied for General Purposes
Other Local Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Contributions and Donations not Restricted to Specific Programs
Unrestricted Investment Earnings
Other
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year-Restated

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Pike County Land Reutilization Corporation
($3,791,312)	$0	($3,791,312)	$0
(1,368,177)	0	(1,368,177)	0
(2,497,576)	0	(2,497,576)	0
(1,062,862)	0	(1,062,862)	0
(1,207,565)	0	(1,207,565)	0
815,441	0	815,441	0
314,052	0	314,052	0
(574,891)	0	(574,891)	0
27,092	0	27,092	0
(9,345,798)	0	(9,345,798)	0
0	(58,377)	(58,377)	0
0	(58,377)	(58,377)	0
(9,345,798)	(58,377)	(9,404,175)	0
0	0	0	475,585
0	0	0	475,585
2,578,064	0	2,578,064	0
1,293,651	0	1,293,651	0
989,242	0	989,242	0
6,521,970	0	6,521,970	0
85,843	0	85,843	0
264,795	0	264,795	0
1,468,927	0	1,468,927	0
6,275	0	6,275	0
(392,063)	0	(392,063)	0
6,016,093	2,162	6,018,255	8,761
(8,247,193)	8,247,193	0	0
10,585,604	8,249,355	18,834,959	8,761
1,239,806	8,190,978	9,430,784	484,346
43,535,883	6,504,002	50,039,885	84,548
$44,775,689	$14,694,980	$59,470,669	$568,894

Pike County
Balance Sheet
Governmental Funds
As of December 31, 2022

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	$6,815,341	$2,189,618	$4,317,254	$0	$8,514,850	$21,837,063
Cash and Cash Equivalents in Segregated Accounts	29,408	528	0	0	45,027	74,963
Cash and Cash Equivalents with Fiscal Agents	0	0	13,528	0	0	13,528
Materials and Supplies Inventory	35,044	504,628	0	0	2,390	542,062
Accrued Interest Receivable	26,748	0	0	0	0	26,748
Accounts Receivable	9,233	0	72,500	0	17,846	99,579
Interfund Receivable	0	0	0	0	173,000	173,000
Due from Other Funds	0	0	0	0	22,400	22,400
Intergovernmental Receivable	385,479	2,525,651	445,283	0	1,437,512	4,793,925
Prepaid Items	90,623	13,097	26,879	0	68,325	198,924
Sales Tax Receivable	1,759,181	0	0	0	0	1,759,181
Other Local Taxes Receivable	0	0	0	0	2,874	2,874
Property Taxes Receivable	3,112,866	0	1,389,294	0	1,163,399	5,665,559
Loans Receivable (Net of Allowance)	0	0	0	0	295,282	295,282
Restricted Cash and Cash Equivalents	551,717	0	0	0	0	551,717
Total Assets	$12,815,640	$5,233,522	$6,264,738	$0	$11,742,905	$36,056,805
Liabilities						
Accounts Payable	$689,584	$443,526	$71,733	$0	$232,919	$1,437,762
Accrued Wages and Benefits Payable	185,920	44,277	90,730	0	124,911	445,838
Contracts Payable	0	0	0	0	975,879	975,879
Intergovernmental Payable	78,519	17,906	37,547	0	66,314	200,286
Interfund Payable	0	0	0	0	173,000	173,000
Due to Other Funds	20,000	0	0	0	2,400	22,400
Total Liabilities	974,023	505,709	200,010	0	1,575,423	3,255,165
Deferred Inflows of Resources						
Property Taxes Not Levied to Finance Current Year Operations	2,442,850	0	1,090,261	0	912,988	4,446,099
Unavailable Revenue:						
Property Taxes	500,316	0	243,891	0	196,850	941,057
Sales Taxes	627,600	0	0	0	0	627,600
Grants and Entitlements	280,852	1,581,294	254,868	0	295,639	2,412,653
Other	0	0	0	0	279	279
Total Unavailable Revenue	1,408,768	1,581,294	498,759	0	492,768	3,981,589
Total Deferred Inflows of Resources	3,851,618	1,581,294	1,589,020	0	1,405,756	8,427,688
Fund Balances						
Nonspendable	833,276	517,725	26,879	0	70,715	1,448,595
Restricted	0	2,628,794	4,448,829	0	8,928,056	16,005,679
Assigned	904,185	0	0	0	0	904,185
Unassigned (Deficit)	6,252,538	0	0	0	(237,045)	6,015,493
Total Total Fund Balance	7,989,999	3,146,519	4,475,708	0	8,761,726	24,373,952
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$12,815,640	$5,233,522	$6,264,738	$0	$11,742,905	$36,056,805

See accompanying notes to the basic financial statements.

Pike County

Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
As of December 31, 2022

Total Governmental Fund Balances		$24,373,952
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		39,075,374
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	941,057	
Sales Taxes	627,600	
Grants and Entitlements	2,412,653	
Other	279	
Total		3,981,589
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Leases and Financed Purchases Payable	(80,979)	
Compensated Absences Payable	(1,175,431)	
Accrued Interest Payable	(36,420)	
Revenue Bonds	(1,527,200)	
USDA Loans	(240,100)	
General Obligation Bonds	(614,200)	
USDA Bonds	(227,410)	
OPWC Loans	(6,342,633)	
Total		(10,244,373)
The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, these liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds.		
Deferred Outflows-Pension	2,570,988	
Deferred Outflows-OPEB	38,193	
Net Pension Liability	(6,658,577)	
Net OPEB Asset	2,182,198	
Deferred Inflows-Pension	(8,243,159)	
Deferred Inflows-OPEB	(2,363,274)	
Total		(12,473,631)
The internal service fund used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities of the statement of net position.		62,778
Net Position of Governmental Activities		$44,775,689

See accompanying notes to the basic financial statements.

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

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$2,596,153	$0	$1,291,267	$0	$990,818	$4,878,238
Sales Taxes	6,461,649	0	0	0	0	6,461,649
Other Local Taxes	0	0	0	0	85,843	85,843
Payments in Lieu of Taxes	264,795	0	0	0	0	264,795
Charges for Services	1,284,464	419,095	1,019,607	0	2,190,208	4,913,374
Fees, Licenses, and Permits	3,675	0	0	0	70	3,745
Fines and Forfeitures	239,638	15,616	0	0	291,307	546,561
Intergovernmental	1,766,013	5,288,662	1,207,855	5,334,889	10,329,482	23,926,901
Interest	192,829	3,640	0	0	632	197,101
Change in Fair Value of Investments	(585,337)	0	0	0	0	(585,337)
Rent	26,556	0	0	0	139,366	165,922
Contributions and Donations	6,275	1,792	400	0	29,765	38,232
Other	5,763,826	24,395	50,195	59,497	118,180	6,016,093
Total Revenues	18,020,536	5,753,200	3,569,324	5,394,386	14,175,671	46,913,117
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,623,817	0	0	3,013,800	661,543	9,299,160
Judicial	2,172,547	0	0	875,273	672,505	3,720,325
Public Safety	3,627,845	0	0	1,206,867	942,187	5,776,899
Public Works	334,193	6,352,934	0	76,347	1,445,142	8,208,616
Health	103,308	0	4,041,302	50,719	333,839	4,529,168
Human Services	264,505	0	0	171,380	6,418,581	6,854,466
Economic Development and Assistance	0	0	0	0	1,045,903	1,045,903
Capital Outlay	237,448	49,780	46,885	0	1,855,767	2,189,880
Intergovernmental	500,000	0	0	0	333,761	833,761
Debt Service:						
Principal	7,160	499,415	4,674	0	317,861	829,110
Interest	440	5,423	587	0	106,488	112,938
Total Expenditures	12,871,263	6,907,552	4,093,448	5,394,386	14,133,577	43,400,226
Excess of Revenues Over (Under) Expenditures	5,149,273	(1,154,352)	(524,124)	0	42,094	3,512,891
Other Financing Sources (Uses)						
Transfers In	1,085,677	0	0	0	391,826	1,477,503
Proceeds of OPWC Loans	0	0	0	0	845,172	845,172
Inception of Financed Purchase	59,350	0	0	0	0	59,350
Transfers Out	(8,462,974)	0	(14,738)	0	(1,246,984)	(9,724,696)
Total Other Financing Sources (Uses)	(7,317,947)	0	(14,738)	0	(9,986)	(7,342,671)
Net Change in Fund Balances	(2,168,674)	(1,154,352)	(538,862)	0	32,108	(3,829,780)
Fund Balances at Beginning of Year	10,158,673	4,300,871	5,014,570	0	8,729,618	28,203,732
Fund Balances at End of Year	$7,989,999	$3,146,519	$4,475,708	$0	$8,761,726	$24,373,952

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds		($3,829,780)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period:		
Capital Asset Additions	3,276,217	
Current Year Depreciation	(2,899,362)	
Total		376,855
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(82,002)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(17,281)	
Sales Taxes	60,321	
Grants and Entitlements	(1,374)	
Other	(47,590)	
Total		(5,924)
Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		829,110
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:		
Proceeds from OPWC Loans	(845,172)	
Inception of Financed Purchase	(59,350)	
Total		(904,522)
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Increase in Compensated Absences	(581)	
Decrease in Accrued Interest Payable	401	
Total		(180)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pensions	1,332,905	
Total		1,332,905
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities (assets) are reported as pension/OPEB expenses in the statement of activities.		
Pensions	1,575,443	
OPEB	2,079,546	
Total		3,654,989
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental funds.		(131,645)
Net Change in Net Position of Governmental Activities		$1,239,806

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$1,667,982	$2,030,000	$2,419,327	$389,327
Sales Taxes	3,861,830	4,700,000	6,344,412	1,644,412
Payments in Lieu of Taxes	205,416	250,000	264,795	14,795
Charges for Services	621,759	756,705	957,692	200,987
Fees, Licenses, and Permits	3,081	3,750	3,675	(75)
Fines and Forfeitures	166,884	203,105	240,060	36,955
Intergovernmental	699,525	851,350	1,709,881	858,531
Interest	176,658	215,000	205,545	(9,455)
Contributions and Donations	0	0	26,556	26,556
Other	1,811,773	7,599,121	5,551,481	(2,047,640)
Total Revenues	9,214,908	16,609,031	17,723,424	1,114,393
Expenditures				
Current:				
General Government:				
Legislative and Executive	4,017,065	6,272,302	6,026,144	246,158
Judicial	1,256,844	1,902,325	1,847,549	54,776
Public Safety	2,222,615	3,528,619	3,436,162	92,457
Public Works	152,463	289,299	276,400	12,899
Health	126,280	126,643	108,543	18,100
Human Services	272,300	282,051	273,041	9,010
Capital Outlay	0	178,098	178,098	0
Intergovernmental	0	500,000	500,000	0
Debt Service:				
Principal	0	7,160	7,160	0
Interest	0	440	440	0
Total Expenditures	8,047,567	13,086,937	12,653,537	433,400
Excess of Revenues Over Expenditures	1,167,341	3,522,094	5,069,887	1,547,793
Other Financing Sources (Uses)				
Transfers In	0	0	1,090,677	1,090,677
Advances In	0	0	235,164	235,164
Transfers Out	(240,000)	(8,582,883)	(8,561,850)	21,033
Advances Out	0	0	(204,207)	(204,207)
Total Other Financing Sources (Uses)	(240,000)	(8,582,883)	(7,440,216)	1,142,667
Net Change in Fund Balances	927,341	(5,060,789)	(2,370,329)	2,690,460
Fund Balances at Beginning of Year	5,759,053	5,759,053	5,759,053	0
Fund Balances at End of Year	$6,686,394	$698,264	$3,388,724	$2,690,460

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Motor Vehicle Gasoline Tax

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for Services	$359,274	$387,922	$419,095	$31,173
Fines and Forfeitures	13,892	15,000	15,711	711
Intergovernmental	4,491,834	4,850,000	5,151,389	301,389
Interest	0	0	3,617	3,617
Contributions and Donations	0	0	1,792	1,792
Other	0	0	24,395	24,395
Total Revenues	4,865,000	5,252,922	5,615,999	363,077
Expenditures				
Current:				
Public Works	5,247,552	7,141,012	6,690,365	450,647
Capital Outlay	100,000	141,023	49,780	91,243
Debt Service:				
Principal	225,000	536,450	499,415	37,035
Interest	200,000	508,418	88,684	419,734
Total Expenditures	5,772,552	8,326,903	7,328,244	998,659
Net Change in Fund Balances	(907,552)	(3,073,981)	(1,712,245)	1,361,736
Fund Balances at Beginning of Year	3,073,981	3,073,981	3,073,981	0
Fund Balances at End of Year	$2,166,429	$0	$1,361,736	$1,361,736

See accompanying notes to the basic financial statements.

Pike County

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)

Board of Developmental Disabilities

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$1,185,000	$1,185,000	$1,219,126	$34,126
Charges for Services	800,000	800,000	1,019,607	219,607
Intergovernmental	1,186,000	1,186,000	1,169,720	(16,280)
Contributions and Donations	0	0	400	400
Other	15,000	15,000	50,195	35,195
Total Revenues	3,186,000	3,186,000	3,459,048	273,048
Expenditures				
Current:				
Health	3,636,070	4,194,248	4,060,562	133,686
Capital Outlay	30,000	54,337	52,187	2,150
Debt Service:				
Principal	0	4,674	4,674	0
Interest	0	587	587	0
Total Expenditures	3,666,070	4,253,846	4,118,010	135,836
Excess of Revenues Under Expenditures	(480,070)	(1,067,846)	(658,962)	408,884
Other Financing Uses				
Transfers Out	(14,738)	(14,738)	(14,738)	0
Total Other Financing Uses	(14,738)	(14,738)	(14,738)	0
Net Change in Fund Balances	(494,808)	(1,082,584)	(673,700)	408,884
Fund Balances at Beginning of Year	4,626,635	4,626,635	4,626,635	0
Fund Balances at End of Year	$4,131,827	$3,544,051	$3,952,935	$408,884

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$2,698,476	$2,697,193	$2,697,193	$0
Other	58,213	59,497	59,497	0
Total Revenues	2,756,689	2,756,690	2,756,690	0
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,013,799	3,013,800	3,013,800	0
Judicial	875,273	875,273	875,273	0
Public Safety	1,206,867	1,206,867	1,206,867	0
Public Works	76,347	76,347	76,347	0
Health	50,719	50,719	50,719	0
Human Services	171,380	171,380	171,380	0
Total Expenditures	5,394,385	5,394,386	5,394,386	0
Net Change in Fund Balances	(2,637,696)	(2,637,696)	(2,637,696)	0
Fund Balances at Beginning of Year	2,637,696	2,637,696	2,637,696	0
Fund Balances at End of Year	$0	$0	$0	$0

See accompanying notes to the basic financial statements.

Pike County
Statement of Fund Net Position
Proprietary Funds
As of December 31, 2022

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Assets		
Current Assets		
Equity in Pooled Cash and Investments	$8,362,353	$102,825
Materials and Supplies Inventory	19,500	0
Accounts Receivable	65,961	0
Prepaid Items	1,886	0
Total Current Assets	8,449,700	102,825
Noncurrent Assets		
Nondepreciable Capital Assets	7,000	0
Depreciable Capital Assets, Net	6,501,794	0
Net OPEB Asset	30,385	0
Total Noncurrent Assets	6,539,179	0
Total Assets	14,988,879	102,825
Deferred Outflows of Resources		
Pension	123,557	0
OPEB	2,357	0
Total Deferred Outflows of Resources	125,914	0
Liabilities		
Current Liabilities		
Accounts Payable	15,806	0
Accrued Wages and Benefits Payable	6,014	0
Intergovernmental Payable	2,490	0
Claims Payable	0	40,047
Compensated Absences Payable - Current Portion	8,741	0
OWDA Loans Payable - Current Portion	8,898	0
Total Current Liabilities	41,949	40,047
Noncurrent Liabilities		
Compensated Absences Payable	11,986	0
OWDA Loans Payable	206,482	0
Net Pension Liability	63,605	0
Total Noncurrent Liabilities	282,073	0
Total Liabilities	324,022	40,047
Deferred Inflows of Resources		
Pension	88,023	0
OPEB	7,768	0
Total Deferred Inflows of Resources	95,791	0
Net Position		
Net Investment in Capital Assets	6,293,414	0
Unrestricted	8,401,566	62,778
Total Net Position	$14,694,980	$62,778

See accompanying notes to the basic financial statements.

Pike County

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

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Operating Revenues		
Charges for Services	$758,310	$174,941
Other	2,162	0
Total Operating Revenues	760,472	174,941
Operating Expenses		
Personal Services	164,904	0
Fringe Benefits	(104,582)	0
Contractual Services	354,856	0
Materials and Supplies	129,652	0
Claims	0	307,026
Depreciation	270,208	0
Total Operating Expenses	815,038	307,026
Operating Loss	(54,566)	(132,085)
Nonoperating Revenues (Expenses)		
Interest	0	440
Interest on Long-Term Debt	(1,649)	0
Total Nonoperating Revenues (Expenses)	(1,649)	440
Loss Before Transfers	(56,215)	(131,645)
Transfers In	8,247,193	0
Change in Net Position	8,190,978	(131,645)
Net Position Beginning of Year	6,504,002	194,423
Net Position End of Year	$14,694,980	$62,778

See accompanying notes to the basic financial statements.

Pike County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities	Governmental Activities
	Pike County Sewer	Internal Service
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	$757,529	$0
Cash Received from Transactions with Other Funds	0	174,941
Cash Payments for Employee Services and Benefits	(254,383)	0
Cash Payments to Suppliers for Goods and Services	(487,529)	0
Cash Payments for Claims	0	(295,892)
Other Operating Revenues	2,162	0
Net Cash Provided (Used) for Operating Activities	17,779	(120,951)
Cash Flows from Noncapital Financing Activities		
Transfers from Other Funds	8,247,193	0
Net Cash Provided for Noncapital Financing Activities	8,247,193	0
Cash Flows from Capital and Related Financing Activities		
Payments for Capital Assets	(111,050)	0
Principal Paid on Debt	(6,709)	0
Interest Paid on Debt	(1,649)	0
Net Cash Used for Noncapital Financing Activities	(119,408)	0
Net Change in Cash and Cash Equivalents	8,145,564	(120,511)
Cash and Cash Equivalents Beginning of Year	216,789	223,336
Cash and Cash Equivalents End of Year	$8,362,353	$102,825
Reconciliation of Operating Loss to Net Cash Provided (Used) for Operating Activities		
Operating Loss	($54,566)	($132,085)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) for Operating Activities:		
Depreciation	270,208	0
Changes in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:		
Increase in Accounts Receivable	(781)	0
Decrease in Intergovernmental Receivable	842	0
Increase in Materials and Supplies	(17,100)	0
Increase in Prepaid Items	(374)	0
Increase in Accounts Payable	14,453	0
Increase in Accrued Wages and Benefits Payable	465	0
Increase in Intergovernmental Payable	103	0
Increase in Claims Payable	0	11,134
Increase in Compensated Absences Payable	2,615	0
Increase in Deferred Outflows	(101,535)	0
Decrease in Deferred Inflows	(28,449)	0
Decrease in Net Pension Liability	(50,742)	0
Increase in Net OPEB Asset	(17,360)	0
Net Cash Provided (Used) for Operating Activities	$17,779	($120,951)

See accompanying notes to the basic financial statements.

Pike County
Statement of Fiduciary Net Position
Custodial Funds
As of December 31, 2022

Assets	
Equity in Pooled Cash and Investments	$3,181,769
Cash and Cash Equivalents in Segregated Accounts	643,652
Accounts Receivable	34,657
Intergovernmental Receivable	1,977,447
Prepaid Items	16,996
Property Taxes Receivable	23,885,756
Total Assets	29,740,277
Liabilities	
Accounts Payable	47,616
Accrued Wages and Benefits Payable	22,219
Intergovernmental Payable	3,393,839
Undistributed Monies	651,828
Total Liabilities	4,115,502
Deferred Inflows of Resources	
Property Taxes Not Levied to Finance Current Year Operations	18,744,569
Total Deferred Inflows of Resources	18,744,569
Net Position	
Restricted for Individuals, Organizations, and Other Governments	6,880,206
Total Net Position	$6,880,206

See accompanying notes to the basic financial statements.

Pike County

Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

Additions	
Intergovernmental	$4,224,306
Amounts Received as Fiscal Agent	2,229,936
Licenses, Permits, and Fees for Other Governments	4,053,037
Fines and Forfeitures for Other Governments	808,333
Property Tax Collections for Other Governments	17,236,333
Sheriff Sale Collections for Others	920,504
Total Additions	29,472,449
Deductions	
Distributions as Fiscal Agent	2,146,545
Distributions of State Funds to Other Governments	3,909,902
Distributions to the State of Ohio	113,513
Licenses and Permits Distributions to Other Governments	3,939,374
Fines and Forfeitures Distributions to Other Governments	808,408
Property Tax Distributions to Other Governments	17,141,915
Sheriff Sale Distributions to Others	920,504
Total Deductions	28,980,161
Change in Net Position	492,288
Net Position at Beginning of Year	6,387,918
Net Position at End of Year	$6,880,206

See accompanying notes to the basic financial statements.

Note 1 – Reporting Entity

Pike County, Ohio (the County), was created in 1815. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, a Probate/Juvenile Court Judge, and a County Court Judge.

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

The reporting entity is 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. 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 Pike County Board of Developmental Disabilities, Pike County Community Development, Emergency Medical Services, Emergency Management Agency, Pike County Planning Commission, Children Services Board, and departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the 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 that are fiscally dependent on the County in that the County approves the organization's budget, the issuance of its debt, or levying of its taxes.

The Pike County Land Reutilization Corporation (Land Bank) was formed on July 23, 2018 as a legally separate not-for-profit organization, created under Ohio Revised Code Sections 5722.02 to 5722.15 and Chapter 1724, to strengthen neighborhoods in the County by returning vacant and abandoned properties to productive use. The Land Bank has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within the County. The Land Bank is governed by a five-member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population, and one representative from a township with a population of ten thousand or more. The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Land Bank and the management and control of its properties. Because the County makes up and/or appoints a voting majority of the Board of Directors, and the County is able to impose its will on the operation of the Land Bank, the relationship between the County and the Land Bank is such that exclusion could cause the County's financial statements to be misleading. As such, the Land Bank has been presented as a component unit of the County. Separately issued financial statements can be obtained from Ed Davis, Board Chair, at 230 Waverly Plaza #300, Waverly, Ohio 45690.

The information presented in notes 1 through 24 relates to the primary government. Information related to the discretely presented component unit is presented in note 25.

The County has no other blended or discretely presented component units that require presentation.

The County is associated with certain organizations which are defined as jointly governed organizations or related organizations. These organizations are presented in notes 18 and 19 to the basic financial statements. These organizations are:

- Buckeye Joint-County Self-Insurance Council
- Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties
- Hocking Valley Community Residential Center

- South Central Regional Juvenile Detention Center
- Ohio Valley Resource Conservation and Development Area, Inc.
- Job Training Partnership Consortium
- Private Industry Council
- Southern Ohio Development Initiative
- Southern Ohio Council of Governments
- Scioto Valley-Piketon Area Council of Governments
- Garnet A. Wilson Library of Pike County
- Pike Metropolitan Housing Authority
- Pike Adult Activities Center, dba Canal Industries

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the districts listed below, the County serves as fiscal agent, but the districts are not fiscally dependent on the County. Accordingly, the activity of the following districts is presented as custodial funds within the County's financial statements.

- The Soil and Water Conservation District was statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire its own staff, and do not rely on the County to approve operations.
- The Pike County Health District is governed by a five member Board of Health which oversees the operation of the Health District and is elected by a regional advisory council. The Board adopts its own budget, hires and fires its own staff, and is legally separate from the County. Although the County Commissioners serve as the taxing authority for the Health District, this is strictly a ministerial function. The County does not approve the fiscal operations of the District.

Note 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pike County (the County and the primary government) follows GASB guidance as applicable to its governmental and business-type activities. The most significant of the County's accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient of the goods or services and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

Fund Accounting

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

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

> *General Fund* – This fund is used to account for all financial resources of the County not accounted for or reported in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> *Motor Vehicle Gasoline Tax Fund* – This fund is used to account for revenues derived from motor vehicle licenses and gasoline taxes. Expenditures are restricted by state law to county road and bridge repair/improvement programs.
>
> *Board of Developmental Disabilities Fund* – This fund is used to account for the operation of a school for the developmentally disabled. Revenue sources are a county-wide property tax levy and federal and state grants.
>
> *American Rescue Plan Act Fund* – This fund accounts for resources received from the federal government under the American Rescue Plan Act restricted to expenditures to support the County during the Coronavirus public health emergency.

The County's nonmajor governmental funds account for (1) grants and other resources whose use is restricted to a particular purpose; (2) the accumulation of resources for, and payment of, the principal, interest, and related costs for the County's general long-term debt; and (3) financial resources used for the acquisition, construction, or renovation of facilities (other than those financed by proprietary funds).

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the County's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County's only enterprise fund is the following major fund:

Pike County Sewer Fund – This fund is used to account for revenue received from user charges for sewer services provided to residents of Pike County. The costs of providing services are financed through user charges.

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's internal service fund is used to provide reimbursement for qualified health care claims under $5,000.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. There are four types of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The only type of fiduciary fund the County uses is custodial funds.

The custodial funds account for assets held in a purely custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues, and fines and forfeitures collected on behalf of and distributed to other local governments. Custodial fund transactions typically involve only the receipt, temporary investment, and distribution of these fiduciary resources.

Measurement Focus

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

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

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

Basis of Accounting

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

Revenues-Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. Revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See note 6) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under this basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: sales tax (see note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide and proprietary fund statements of net position and include pension/OPEB expense. A deferral for pension/OPEB results from changes in net pension/OPEB liability (asset) not recognized as a component of current year pension/OPEB expense. This amount is deferred and amortized over various periods as instructed by the pension/OPEB plan administrators. Deferred outflows of resources related to pensions/OPEB are explained further in notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. The County reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the County, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, grants and entitlements, and other. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are explained further in notes 12 and 13.

Expenses/Expenditures

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

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, 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 amounts that the County Commissioners may appropriate. The appropriation resolution is the Commissioners authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the fund, function, and object level within each department.

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

The appropriation resolution is subject to amendment by the Commissioners throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represented the final appropriation amounts passed by the Commissioners during the year.

Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent and in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through the County’s records. Each fund’s interest in the pool is presented as “equity in pooled cash and investments” on the balance sheet and statements of net position.

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet and statements of net position as "cash and cash equivalents in segregated accounts."

Cash and cash equivalents that are held by the Southern Ohio Council of Governments on behalf of the County’s Board of Developmental Disabilities are recorded on the balance sheet and statements of net position as “cash and cash equivalents with fiscal agents”.

For reporting purposes, “equity in pooled cash and investments” is defined as cash on hand, demand deposits, and investments held in the County treasury.

For cash flow reporting purposes, the County’s proprietary funds consider cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. “Equity in pooled cash and investments” is considered to be cash and equivalents since these assets are available on demand.

Investments held by the County Treasurer are stated at fair value using quoted market prices.

During fiscal year 2022, investments were limited to Federal Home Loan Mortgage Corporation securities, Federal Farm Credit Bank securities, Federal National Mortgage Association securities, municipal bonds, negotiable certificates of deposit, U.S. Treasury bills and notes, commercial paper, and money market funds.

Under existing Ohio law, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Distribution is made utilizing a formula based on the average month-end balance of cash and cash equivalents of all funds.

Interest is distributed to the general fund, motor vehicle gasoline tax, federal revolving loan, law enforcement block grant, 2018 FEMA, 2019 FEMA, and Armintrout trust special revenue funds, and the Pike County health care notes debt service fund. Interest earned during 2022 amounted to $197,101 in the governmental funds. The County also experienced a decrease in the fair value of investments of $585,337, which was recognized in the general fund.

Loans Receivable

Loans receivable consists of long-term revolving loans for housing and community development projects. The programs are primarily funded by a federal block grant, with a local match from the County. Loans receivable is offset by a credit to restricted fund balance. The expenditure is recorded when the loan is made.

Inventory

On the government-wide financial statements, inventories are presented at cost, on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise fund are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The County maintains a capitalization threshold of $5,000 for all assets except infrastructure, in which the County maintains a capitalization threshold of $50,000. Public domain (infrastructure) general capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized for acquisitions during 2022 and previous fiscal years in accordance with GASB Statement No. 34.

Interest incurred during the construction of assets is not capitalized. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Buildings and Improvements	20-40 years
Roads and Bridges (Infrastructure)	10-50 years
Furniture and Fixtures	10 years
Sewer Lines	50 years
Machinery and Equipment	5-15 years
Vehicles	8 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The County records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who has accumulated unpaid leave is paid. The County did not have any matured compensated absences to report as of December 31, 2022.

Fund Balance

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

Nonspendable – The nonspendable fund balance 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 – 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) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet 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. The County Auditor generally will assign monies through the issuance of purchase orders.

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

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

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred outflows and inflows related to the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes various grants and other resources restricted for various purposes. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the County's restricted net position, none is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for sewer services and charges to other funds for the health reimbursement account program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the funds. Revenues and expenses not matching these definitions are reported as non-operating revenues and expenses.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

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

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

Interfund Transactions

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

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

Estimates

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

Note 3 – Conversion of Operations from Budget Basis to GAAP Basis

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The statements of revenues, expenditures, and changes in fund balances-budget and actual (budget basis) are presented in the basic financial statements for the general fund and major special revenue funds. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Revolving loans made to eligible businesses and individuals are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Certain funds are reported as part of the general fund and board of developmental disabilities fund on a GAAP basis, but are not reported as part of the general fund and board of developmental disabilities fund, respectively, on the budget basis.

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

Net Change in Fund Balance (Deficit)
General and Major Special Revenue Funds

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	American Rescue Plan Act
GAAP Basis	($2,168,674)	($1,154,352)	($538,862)	$0
Net Adjustments for:				
Revenue Accruals	266,123	(137,201)	(110,276)	(2,637,696)
Expenditure Accruals	(1,016,664)	(1,244,275)	(24,562)	0
Encumbrances	899,796	823,583		
Other Sources (Uses)	(122,269)	0	0	0
Perspective Difference:				
Activity of Funds Reclassified For GAAP Reporting Purposes	(228,641)	0	0	0
Budget Basis	($2,370,329)	($1,712,245)	($673,700)	($2,637,696)

Note 4 – Accountability

Fund Balance Deficits

The following funds have a fund balance deficit as of December 31, 2022:

Nonmajor Funds:	
Fed-DOE-Agreement in Principle	$1,108
Electronic Monitor HSE Arrest	1,224
State Issue II Grants	234,713

These deficits are a result of the application of accounting principles generally accepted in the United States of America to the financial reporting of these funds. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. Bond anticipation note proceeds used to finance projects are not recognized as "other financing sources," but rather as a fund liability. This deficit in the debt service fund will be eliminated when the notes are bonded and/or resources are provided for the retirement of the notes.

Note 5 – Deposits and Investments

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) Section 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.

Cash on Hand

At year end, the County had $5,000 in undeposited cash on hand which is included on the financial statements of the County as part of “equity in pooled cash and investments.”

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The County’s bank balance of $18,802,054 is either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner as described above.

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

Investments

As of December 31, 2022, the County had the following investments and maturities:

		Weighted Average Maturity			
	Carrying/ Fair Value	Less Than One Year	1-2 Years	3-5 Years	% of Total
Federal Home Loan Mortgage Corporation	$3,866,850	$1,504,869	$2,205,594	$156,387	23%
Federal Farm Credit Bank	1,758,717	0	959,100	799,617	10%
Federal National Mortgage Association	629,385	0	0	629,385	4%
Municipal Bonds	1,699,074	888,519	439,636	370,919	10%
U.S. Treasury Notes	1,945,232	684,212	1,261,020	0	12%
U.S. Treasury Bill	391,936	391,936	0	0	2%
Negotiable Certificates of Deposit	3,113,432	1,684,024	949,527	479,881	18%
Commercial Paper	3,516,843	3,516,843	0	0	21%
Money Market Fund	6,575	6,575	0	0	0%
Total Investments	$16,928,044	$8,676,978	$5,814,877	$2,436,189	100%

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy specifically dealing with interest rate risk. The County manages it exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years of less.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy allows the County to invest in accordance with the Ohio Revised Code (Ohio Law). Ratings in Investments in the Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Federal National Mortgage Association, and U.S. Treasury notes ranged from AA+ and AAA by Standard & Poor's and Aaa by Moody's. The investment rating for the money market fund was rated AAAm by Standard and Poor's. U.S. Treasury bills and commercial paper were rated A1 and A1+ by Standard & Poor's and P1 by Moody's. Ratings in municipal bonds ranged from AA to AAA by Standard & Poor's and Aa3 to Aaa by Moody's. Negotiable certificates of deposit are not rated.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer; however their investment policy does stress diversification to limit potential losses.

Custodial credit risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's securities are either insured and registered in the name of the County or at least registered in the name of the County. The County has no policy specifically related to custodial credit risk, but requires the County to conform to requirements of Ohio law.

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

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2017. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Certain public utility property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes which were measurable and unpaid as of December 31, 2022. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2022 operations.

The full tax rate for all County operations for the year ended December 31, 2022 was $13.20 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	$436,078,040
Public Utility Personal Property	125,379,120
Total Property Taxes	$561,457,160

Note 7 – Tax Abatements

A tax abatement is defined as a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement programs where the County has promised to forego taxes follows:

Community Reinvestment Area (CRA) Program

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The County determines the type of development to support by specifying the eligibility of residential, commercial, and/or industrial projects. The County negotiates property tax exemptions on new property tax from investment for up to one hundred percent (100%) for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretion of the County, are pursuant to ORC Sections 9.66(C)(1) and 9.66(C)(2).

The County did not abate a significant amount of property taxes through abatement programs for the year ended December 31, 2022.

Note 8 – Permissive Sales Tax

In 1988, in accordance with Sections 5739.02 and 5741.02 of the Revised Code, the County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the general fund. A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2022. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is reported as deferred inflows of resources-unavailable resources. Sales and use tax revenue for 2022 amounted to $6,521,970.

Note 9 – Receivables

Receivables at December 31, 2022 consisted of property, sales, and other local taxes, accounts (billings for user charged services), interest, loans, and due from other governments arising from grants, entitlements and shared revenues. All receivables (other than loans) are considered collectible in full.

The Department of Community Development loans money to eligible residents of Pike County to rehabilitate their residences. Part of the loan agreement states that the loan recipient will not sell their home for five years after such rehabilitation is completed. The Community Development office secures a lien against the property for this five-year period. This type of assistance will be in the form of a declining/deferred loan. There are no monthly payments and no interest will be charged. 80 percent of the amount borrowed will be forgiven over five years, declining 20 percent each year. The remaining 20 percent will be in the form of a deferred loan. Deferred loans do not get repaid until the homeowner sells, vacates, or transfers the title of the property. Other loans receivable represent low interest loans for development projects and home improvements granted to eligible County residents and businesses under the Community Development. Of the total loans receivable disclosed on the balance sheet, $295,282 represents the amount of principal on the loans subject to forgiveness under the above agreement.

A summary of the principal items of intergovernmental receivables is as follows:

Governmental Activities	Amount
Major Funds:	
General Fund	$385,479
Motor Vehicle Gasoline Tax	2,525,651
Board of Developmental Disabilities Grants	445,283
Nonmajor Funds:	
Job and Family Services	172,275
Child Support Enforcement Agency	55,231
Children Services	266,443
ODRC Subsidy Grant-Community Alternatives	37,500
Drug Use Prevention Grant-DARE Program	1,995
EMA Comprehensive Coop Agreement	14,569
Felony Delinquent Care and Custody	20,059
Community Corrections Act Grant	27,792
2018 FEMA	39,704
2019 FEMA	16,079
Pike Senior Services Special Levy	19,375
ODH MIECHV	3,087
Social Services Block Grant-Title XX	1,905
CDBG Community Housing Impact Preservation	6,000
State Issue II Grant	755,498
Total Nonmajor Funds	1,437,512
Total Governmental Activities	$4,793,925

<u>Note 10 – Risk Management</u>

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the County contracted with the Buckeye Joint-County Self-Insurance Council (a jointly governed organization, see note 20) for liability, auto, and crime insurance. This jointly governed organization is a cost-sharing pool. The program has a $0 to $5,000 deductible per occurrence.

Coverages provided by the program are as follows:

	Aggregate	Each Occurrence
General Liability	$4,000,000	$2,000,000
Public Officials	4,000,000	2,000,000
Law Enforcement	4,000,000	2,000,000
Automobile – Liability	N/A	2,000,000
Employee Benefits Liability	4,000,000	2,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of $39,138,240 and other property insurance including $1,000,000 for extra expenses.

Health insurance was provided by a private carrier, United Health Care, for all claims $5,000 and above. Claims under $5,000 are provided through a health reimbursement program administered by a third-party administrator, Peoples Insurance. The County maintains an internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of $40,047 reported in the internal service fund at December 31, 2022, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the past two years are as follows:

	Beginning Year Balance	Current Year Claims	Claim Payments	Ending Year Balance
2022	$28,913	$307,026	($295,892)	$40,047
2021	30,689	293,641	(295,417)	28,913

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. The County pays all elected officials' bonds by statute.

The County has not incurred significant reductions in insurance coverage from coverage in the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 11 – Capital Assets

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

	Balance at 1/1/22*	Additions	Deletions	Balance at 12/31/22
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$1,844,261	$0	$0	$1,844,261
Construction in Progress	910,000	448,040	(1,300,000)	58,040
Total Non-Depreciable Capital Assets	2,754,261	448,040	(1,300,000)	1,902,301
Depreciable Capital Assets:				
Furniture and Fixtures	189,073	0	0	189,073
Buildings and Improvements	15,525,575	990,463	0	16,516,038
Machinery and Equipment	2,764,259	84,364	(75,133)	2,773,490
Vehicles	3,809,932	267,611	0	4,077,543
Infrastructure	62,606,017	2,785,739	(1,007,116)	64,384,640
Total Depreciable Capital Assets	84,894,856	4,128,177	(1,082,249)	87,940,784
Less Accumulated Depreciation:				
Furniture and Fixtures	(161,019)	(5,715)	0	(166,734)
Buildings and Improvements	(10,426,169)	(1,106,534)	0	(11,532,703)
Machinery and Equipment	(1,908,041)	(110,906)	28,174	(1,990,773)
Vehicles	(2,723,659)	(227,290)	0	(2,950,949)
Infrastructure	(33,649,708)	(1,448,917)	972,073	(34,126,552)
Total Accumulated Depreciation	(48,868,596)	(2,899,362)	1,000,247	(50,767,711)
Net Depreciable Capital Assets	36,026,260	1,228,815	(82,002)	37,173,073
Total Capital Assets, Net	$38,780,521	$1,676,855	($1,382,002)	$39,075,374

*Certain assets previously reported as equipment under capital lease agreements have been reclassified as intangible right to use leased assets in accordance with GASB 87. In addition, certain assets under leases that existed prior to 2022 were not reported as assets as they did not meet the criteria for reporting. However, with the implementation of GASB 87, these assets are now reportable, and the County's assets have been restated accordingly. See note 23 for additional information.

Of the current year depreciation total of $2,094,612, $16,616 is presented on the statement of activities related to amortization of the County's intangible equipment assets, which are included as Intangible Right to Use Leased Assets. Of this amount, $6,712 is recorded as legislative and executive, $3,910 as health, and $5,994 as human services. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	$284,349
Judicial	2,714
Public Safety	181,166
Public Works	1,545,527
Health	821,396
Human Services	30,685
Economic Development and Assistance	33,525
Total Depreciation Expense	$2,899,362

	Balance at 1/1/22	Additions	Deletions	Balance at 12/31/22
Business-Type Activities:				
Non-Depreciable Capital Assets:				
Land	$7,000	$0	$0	$7,000
Total Non-Depreciable Capital Assets	7,000	0	0	7,000
Depreciable Capital Assets:				
Buildings and Improvements	326,697	0	0	326,697
Machinery and Equipment	179,715	86,055	0	265,770
Vehicles	87,350	24,995	0	112,345
Infrastructure	11,893,709	0	0	11,893,709
Total Depreciable Capital Assets	12,487,471	111,050	0	12,598,521
Less Accumulated Depreciation:				
Buildings and Improvements	(138,080)	(7,685)	0	(145,765)
Machinery and Equipment	(99,631)	(12,360)	0	(111,991)
Vehicles	(56,209)	(7,176)	0	(63,385)
Infrastructure	(5,532,599)	(242,987)	0	(5,775,586)
Total Accumulated Depreciation	(5,826,519)	(270,208)	0	(6,096,727)
Net Depreciable Capital Assets	6,660,952	(159,158)	0	6,501,794
Total Capital Assets, Net	$6,667,952	($159,158)	$0	$6,508,794

Note 12 – Defined Benefit Retirement Plans

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

Net Pension Liability/Net OPEB Asset

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

The net pension/OPEB liability (asset) represents the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset)on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See note 13 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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 only exist within the traditional plan. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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
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	**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	**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
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
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, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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.

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

	State and Local	Law Enforcement
Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-Employment Health Care Benefits	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $1,343,916 for 2022.

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a defined benefit (DB) plan, a defined contribution (DC) Plan and a combined plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

The DC plan allows members to place all their member contributions and 9.53% of the 14.0% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.0% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO plan offers features of both the DB plan and the DC plan. In the CO plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to the DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB plan. The defined benefit portion of the CO plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

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

The County's contractually required pension contributions to STRS were $30,280 for 2022.

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

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

	OPERS	STRS	Total
Proportionate Share of the Net Pension Liability:			
Current Measurement Date	0.07310600%	0.001626910%	
Prior Measurement Date	0.07722100%	0.001613197%	
Change in Proportionate Share	-0.00411500%	0.000013713%	
Proportionate Share of the:			
Net Pension Liability	$6,360,518	$361,664	$6,722,182
Pension Expense (Gain)	(1,698,974)	10,045	(1,688,929)

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$324,250	$4,630	$328,880
Changes of assumptions	795,377	43,279	838,656
Net difference between projected and actual earnings on pension plan investments	0	12,584	12,584
Changes in proportion and differences between County's contributions and proportionate share of contributions	154,611	31	154,642
County contributions subsequent to the measurement date	1,343,916	15,867	1,359,783
Total Deferred Outflows of Resources	$2,618,154	$76,391	$2,694,545
Deferred Inflows of Resources			
Differences between expected and actual experience	$139,502	$1,385	$140,887
Changes of assumptions	0	32,577	32,577
Net difference between projected and actual earnings on pension plan investments	7,565,606	0	7,565,606
Changes in proportion and differences between County contributions and proportionate share of contributions	583,997	8,115	592,112
Total Deferred Inflows of Resources	$8,289,105	$42,077	$8,331,182

$1,359,783 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2023	($1,292,520)	($3,931)	($1,296,451)
2024	(2,739,855)	(4,228)	(2,744,083)
2025	(1,778,978)	(10,073)	(1,789,051)
2026	(1,203,514)	36,679	(1,166,835)
Total	($7,014,867)	$18,447	($6,996,420)

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 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, as compared to December 31, 2020:

	2021	2020
Wage Inflation	2.75 percent	3.25 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 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	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	6.9 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 of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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 of the above described tables.

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

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

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

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

Discount Rate – The discount rate used to measure the total pension liability for the current year was 6.9 percent. 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 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 to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
County's proportionate share of the net pension liability	$16,769,785	$6,360,518	($2,301,377)

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2022.

Key methods and assumptions used in the June 30, 2022 actuarial valuation compared to those used in the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.5% to 8.5%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00% effective July 1, 2017	0.00% effective July 1, 2017

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

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

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

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

*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$546,343	\$361,664	\$205,483

Note 13 – Postemployment Benefits

See note 12 for a description of the net OPEB asset.

Ohio Public Employees Retirement System (OPERS)

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

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

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

The 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. 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. This is the maximum employer contribution rate 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 of the traditional pension plan or 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 OPEB contribution was $0 for 2022.

State Teachers Retirement System (STRS)

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

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

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	OPERS	STRS	Total
Proportionate Share of the Net OPEB Asset:			
Current Measurement Date	0.06929600%	0.001626910%	
Prior Measurement Date	0.07310700%	0.001613197%	
Change in Proportionate Share	-0.00381100%	0.000013713%	
Proportionate Share of the:			
Net OPEB Asset	($2,170,457)	($42,126)	($2,212,583)
OPEB Expense (Gain)	(2,127,410)	(9,858)	(2,137,268)

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$610	$610
Changes of assumptions	0	1,794	1,794
Net difference between projected and actual earnings on OPEB plan investments	0	737	737
Changes in proportion and differences between County's contributions and proportionate share of contributions	37,409	0	37,409
Total Deferred Outflows of Resources	$37,409	$3,141	$40,550
Deferred Inflows of Resources			
Differences between expected and actual experience	$329,225	$6,325	$335,550
Changes of assumptions	878,577	29,873	908,450
Net difference between projected and actual earnings on OPEB plan investments	1,034,722	0	1,034,722
Changes in proportion and differences between County contributions and proportionate share of contributions	87,725	4,595	92,320
Total Deferred Inflows of Resources	$2,330,249	$40,793	$2,371,042

No amounts reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	STRS	Total
Year Ending December 31:			
2023	($1,411,438)	($11,935)	($1,423,373)
2024	(506,718)	(11,779)	(518,497)
2025	(226,082)	(4,576)	(230,658)
2026	(148,602)	(1,895)	(150,497)
2027	0	(2,460)	(2,460)
Thereafter	0	(5,007)	(5,007)
Total	($2,292,840)	($37,652)	($2,330,492)

Actuarial Assumptions – OPERS

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

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

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

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent 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 3.50 percent, ultimate in 2034	8.50 percent, initial 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 discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 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 asset 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	($1,276,432)	($2,170,457)	($2,912,511)

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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 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 that 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 3.5 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	($2,193,911)	($2,170,457)	($2,142,632)

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net OPEB liability for STRS which was measured as of June 30, 2022.

Key methods and assumptions used in the June 30, 2022 actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5% to 8.5%	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-68.78 percent initial, 3.94 percent ultimate	-16.18 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial, 3.94 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	-5.47 percent initial, 3.94 percent ultimate	29.98 percent initial, 4 percent ultimate

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

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

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study for the period July 1, 2015 through June 30, 2021. Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

The non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.1% to 2.2%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023. The Medicare Part B monthly reimbursement was increased from $29.90 to $30 and all retirees and surviving spouses are now eligible for the Part B premium reimbursement.

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

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

*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	($38,944)	($42,126)	($44,851)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	($43,695)	($42,126)	($40,146)

Note 14 – Other Employee Benefits

Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County.

Accumulated, unused sick leave is paid up to maximums of 240 to 480 hours, depending on length of service and departmental policy, to employees who retire.

Note 15 – Deferred Compensation

Pike County employees and elected officials may participate in either the Ohio Public Employees Deferred Compensation program or the County Commissioners' Association of Ohio Deferred Compensation Program, both created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death, or in the case of an unforeseeable emergency.

Note 16 – Long-Term Debt

The Ohio Public Works Commission (OPWC) loan issued in 1998 consists of money owed to the OPWC for replacement of Buchanan Road Bridge. The total loan amount awarded was $205,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. The final payment was made in 2022.

The Ohio Public Works Commission (OPWC) loan issued during 2014 consists of money owed to the OPWC for the replacement of Rapp-Montgomery road and bridge repairs. The total loan amount awarded was $187,500. The loan will be repaid from the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the River Road Emergency Slip Repair project. The total amount awarded was $24,789. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Bridge Replacement and Salyers. The total amount awarded was $300,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2002 consists of money owed to the OPWC for replacement of Pike Lake Road Bridge at Tanglewood Acres. The total loan amount awarded was $47,563. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. The final payment was made in 2022.

The Ohio Public Works Commission (OPWC) loan issued in 2003 consists of money owed to the OPWC for replacement of Loy's Run Bridge. The total loan amount awarded was $90,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for the replacement of Coal Dock Road Bridge. The total loan amount awarded was $125,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2005 consists of money owed to the OPWC for the replacement of Owl Creek Road Bridge. The total loan amount awarded was $150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2006 consists of money owed to the OPWC for the replacement of Auerville Road Bridge. The total loan amount awarded was $292,112. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2004 consists of money owed to the OPWC for replacement of Buck Hollow Road Bridge. The total loan amount awarded was $37,156. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2009 consists of money owed to the OPWC for the replacement of the Adams Road Bridge. The total loan amount awarded was $185,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2010 consists of money owed to the OPWC for the replacement of the Little Creek (Mifflin Township) Water Line. The total loan amount awarded was $225,000. The OPWC loan is payable solely from the gross revenues of the Mifflin Township waterline notes debt service fund.

The Ohio Public Works Commission (OPWC) loan issued during 2008 consists of money owed to the OPWC for the replacement of Morgan’s Fork Road Bridge. The total loan amount awarded was $250,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2002 consists of money owed to the OPWC for replacement of River Road Bridge. The total loan amount awarded was $125,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. The final payment was made in 2022.

The Ohio Public Works Commission (OPWC) loan issued during 2013 consists of money owed to the OPWC for the replacement of Multiple Box Culverts. The total loan amount awarded was $581,695. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued in 2012 consists of money owed to OPWC for the Three Bridge Replacement project. The total amount awarded was $550,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Bridge Replacement and Road Repair. The total amount awarded was $561,283. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Six Bridge Replacements. The total amount awarded was $465,056. $165,056 of this loan was forgiven through grant funds. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2015 consists of money owed to the OPWC for the Boswell Run Road Bridge Replacement. The total loan amount awarded was $150,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Culvert and Road Improvements. The total loan amount awarded was $233,603. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase I. The total loan amount awarded was $700,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2016 consists of money owed to the OPWC for the County Wide Paving Project 2016 Phase II. The total loan amount awarded was $1,067,171. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2017 consists of money owed to the OPWC for Five Box Culverts. The total loan amount awarded was $625,000. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pike County and Pee Pee Township Paving. The total loan amount awarded was $745,878. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan issued during 2019 consists of money owed to the OPWC for Pleasant Hill and Stockdale Road Bridge Replacement. The total loan amount awarded was $450,000. As of December 31, 2022, $442,283 has been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO15X issued during 2020 was for the purpose of providing funds for the 2020 Pike County Various Infrastructure project. This project is being partially funded by grant funds. The total loan amount awarded was $1,455,594. As of December 31, 2022, $516,878 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO20W issued during 2020 was for the purpose of providing funds for the Pike County Spot Paving 2019 project. This project is being partially funded by grant funds. The total loan amount awarded was $158,113. As of December 31, 2022, $148,183 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO13X issued during 2022 was for the purpose of providing funds for the Pike County Spot Paving and Pine Top Box Culvert project. This project is being partially funded by grant funds. The total loan amount awarded was $150,000. As of December 31, 2022, $129,782 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CO19Y issued during 2022 was for the purpose of providing funds for the Pike County Spot Paving and Chenoweth Fork Road Box Culvert project. This project is being partially funded by grant funds. The total loan amount awarded was $97,857. As of December 31, 2022, the full $97,857 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund.

The Ohio Public Works Commission (OPWC) loan CU48Y issued during 2022 was for the purpose of providing funds for the Newton Township Wynn Road Slip Repair project. This project is being partially funded by grant funds. The total loan amount awarded was $5,000. As of December 31, 2022, $2,100 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Public Works Commission (OPWC) loan CO03Z issued during 2022 was for the purpose of providing funds for the River Road, Buchanan Road, and Clines Chapel Road Improvements project. The total loan amount awarded was $1,375,000. As of December 31, 2022, $16,500 of the loan funds have been disbursed. The OPWC loan is payable solely from the gross revenues of the motor vehicle gasoline tax fund. No amortization is available at this time.

The Ohio Water Development Authority (OWDA) loan issued in 2002 consists of money owed to the OWDA for Water Pollution Control. The total loan amount awarded was $45,000. The OWDA loan is payable from the water pollution control loan hardship debt service fund. The final payment was made in 2022.

The USDA loan issued in 2010 was for the purpose of airport hangar construction. The loan was issued in the amount of $328,000 with an interest rate of 4.00 percent. The loan will be repaid airport hangers debt service fund.

The general obligation bonds issued through United States Department of Agriculture in 2020 were to purchase four dump trucks. The bonds were issued in the amount of $300,000 at an interest rate of 2.125%. As of December 31, 2022, the full $300,000 of the bond proceeds had been drawn. The bonds will be repaid from the engineer USDA dump truck debt service fund.

The revenue bond issued during 2009 was for the purpose of constructing a senior citizens center in the County. The bond was issued in the amount of $2,200,000 at an interest rate of 3.50%. Tax revenues of the Pike County senior citizen levy have been pledged to repay this bond. Transfers are made from the senior citizen special revenue fund to the Pike County senior center debt service fund for the repayment of this bond.

The revenue bond issued during 2014 was for the purpose of making improvements to the family health center in the County. The bond was issued in the amount of $850,000 at an interest rate of 3.65%. General revenues of the County along with revenues received from the operation of the Health Center have been pledged to repay this bond. The bond will be repaid from the Pike County health care debt service fund.

The general obligation bonds issued in 2007 were for the purpose of repaying general obligation notes of the County. The bonds were issued in the amount of $2,910,150, which includes $405,000 in debt for the Pike County Health District at an interest rate of 4.4325%. Of the $2,910,150, $2,887,000 were issued in governmental activity funds with the remaining $23,150 in business-type activities. The bonds will be repaid from the Pike County consolidated bond retirement debt service fund.

The DD facility bonds issued during 2015 was for the purpose of facility improvement. The bond was issued in the amount of $122,900 at an interest rate of 3.35%. The bonds will be repaid from the debt service fund.

The Ohio Water Development Authority (OWDA) loan issued during 2012 consists of money owed to the OWDA for North Sewer System project. The total loan amount awarded was $205,504. The OWDA loan is payable solely from the gross revenues of the sewer fund.

The Ohio Water Development Authority (OWDA) loan issued during 2015 consists of money owed to the OWDA for North Gate Sanitary Sewer Extension project. The total loan amount awarded was $85,845. The OWDA loan is payable solely from the gross revenues of the sewer fund.

The Ohio Water Development Authority (OWDA) loan issued during 2019 consists of money owed to the OWDA for Regional WWTP Improvements project. The OWDA loan is payable solely from the gross revenues of the sewer fund. As of December 31, 2022, $28,559 has been disbursed and $26,250 has been repaid. However, no amortization is available at this time.

Compensated absences (sick leave and vacation benefits) and other obligations related to employee compensation are paid from the fund from which the person is paid, with the most significant being the general fund, and the community development, motor vehicle gasoline tax, job and family services, board of developmental disabilities, and children services special revenue funds. The capital leases are paid from the general fund and the board of developmental disabilities, job and family services, and child support special revenue funds.

The County's long-term obligations at year end consisted of the following:

	Outstanding 1/1/22	Issued	Retired	Outstanding 12/31/22	Amount Due in One Year
Governmental Activities					
OPWC Loans					
1998 Buchanan Road – 0%	$1,875	$0	($1,875)	$0	$0
2014 Rapp-Montgomery Road and Bridges – 0%	144,229	0	(7,212)	137,017	3,606
2012 River Road Emergency Slip Repair – 0%	18,180	0	(826)	17,354	413
2012 Bridge Replacement & Salyers – 0%	205,556	0	(11,111)	194,445	5,556
2002 Pike Lake Road Project – 0%	2,379	0	(2,379)	0	0
2003 Loy's Run – 0%	6,750	0	(4,500)	2,250	2,250
2004 Coal Dock Road – 0%	15,625	0	(6,250)	9,375	3,125
2005 Owl Creek Road – 0%	26,250	0	(7,500)	18,750	3,750
2006 County Multi-Bridge Project – 0%	65,725	0	(14,606)	51,119	7,303
2004 Buck Hollow Road – 0%	4,644	0	(1,858)	2,786	929
2009 Adams Road Bridge – 0%	78,625	0	(9,250)	69,375	4,625
2010 Mifflin Twp Water Line – 0%	146,250	0	(3,750)	142,500	7,500
2008 Morgan's Fork Road – 0%	81,250	0	(12,500)	68,750	6,250
2002 River Road – 0%	6,250	0	(6,250)	0	0
2013 Multiple Box Culvert Replacements – 0%	475,050	0	(19,390)	455,660	9,695
2012 Three Bridge Replacement – 0%	449,167	0	(18,333)	430,834	9,167
2015 Bridge Replacements and Road Repair – 0%	495,799	0	(18,709)	477,090	9,355
2015 Six Bridge Replacements – 0%	275,000	0	(10,000)	265,000	5,000
2015 Boswell Run Road Bridge Replacement – 0%	135,000	0	(5,000)	130,000	2,500
2017 Culvert and Road Improvements – 0%	204,680	0	(9,520)	195,160	4,760
2016 County Wide Paving Project 2016 Phase I – 0%	525,000	0	(70,000)	455,000	35,000
2016 County Wide Paving Project 2016 Phase II – 0%	800,378	0	(106,717)	693,661	53,359
2017 Five Box Culverts – 0%	604,167	0	(20,833)	583,334	10,417
2019 Pike County & Pee Pee Twp Paving – 0%	633,996	0	(74,588)	559,408	37,294
2019 Pleasant Hill & Stockdale Road Bridge Replacement – 0%	60,000	382,283	0	442,283	7,500
2020 Pike County Various Infrastructure – 0%	345,228	216,650	0	561,878	0
2020 Pike County Spot Paving – 0%	148,183	0	(14,818)	133,365	7,409
2022 Pike County Spot Paving & Pine Top Box Culvert – 0%	0	129,782	0	129,782	5,465
2022 Pike County Spot Paving & Chenoweth Fork Box Culvert – 0%	0	97,857	0	97,857	3,764
2022 Newton Township Wynn Road Slip Repair – 0%	0	2,100	0	2,100	0
2022 River Road, Buchanan Road & Clines Chapel Road Improvements – 0%	0	16,500	0	16,500	0
Total OPWC Loans	5,955,236	845,172	(457,775)	6,342,633	245,992

	Outstanding 1/1/22*	Issued	Retired	Outstanding 12/31/22	Amount Due in One Year
OWDA Loans					
2002 Water Pollution Control Loan – 0%	$1,125	$0	($1,125)	$0	$0
USDA Loans/Bonds					
2010 Airport Hangar Loan – 4%	249,100	0	(9,000)	240,100	9,300
2020 Dump Trucks Bonds – 2.125%	272,800	0	(45,390)	227,410	28,400
Total USDA Loans/Bonds	521,900	0	(54,390)	467,510	37,700
Revenue Bonds					
2009 Senior Center – 3.5%	1,064,000	0	(117,500)	946,500	121,700
2014 Health Complex – 3.65%	618,700	0	(38,000)	580,700	39,500
Total Revenue Bonds	1,682,700	0	(155,500)	1,527,200	161,200
Other Bonds					
2007 General Obligation – 4.4325%	701,000	0	(128,000)	573,000	135,000
2015 DD Facility – 3.35%	54,100	0	(12,900)	41,200	13,300
Total Other Bonds	755,100	0	(140,900)	614,200	148,300
Other Long-Term Obligations					
Compensated Absences	1,174,850	806,453	(805,872)	1,175,431	855,793
Leases & Financed Purchases	41,049	59,350	(19,420)	80,979	32,854
Net Pension Liability					
OPERS	11,320,402	0	(5,023,489)	6,296,913	0
STRS	206,262	155,402	0	361,664	0
Total Net Pension Liability	11,526,664	155,402	(5,023,489)	6,658,577	0
Total Governmental Activities	$21,658,624	$1,866,377	($6,658,471)	$16,866,530	$1,481,839

*Restated in accordance with GASB 87. See note 23 for additional information.

	Outstanding 1/1/22	Issued	Retired	Outstanding 12/31/22	Amount Due in One Year
Business-Type Activities					
OWDA Loans					
2012 North Sewer System – 1.5%	$153,206	$0	($3,117)	$150,089	$6,304
2015 North Gate Sanitary Sewer Extension – 1.5%	66,574	0	(1,283)	65,291	2,594
2019 Regional WWTP Improvements – 2.28%	2,309	0	(2,309)	0	0
Total OWDA Loans	222,089	0	(6,709)	215,380	8,898
Other Long-Term Obligations					
Compensated Absences	18,112	14,571	(11,956)	20,727	8,741
Net Pension Liability					
OPERS	114,347	0	(50,742)	63,605	0
Total Business-Type Activities	$354,548	$14,571	($69,407)	$299,712	$17,639

Year	OPWC Loans	USDA Loans/Bonds		Revenue Bonds	
Ended	Principal	Principal	Interest	Principal	Interest
2023	$245,992	$37,700	$14,809	$161,200	$54,617
2024	479,976	38,800	13,843	166,700	48,951
2025	471,871	39,700	12,825	172,700	42,980
2026	464,369	40,800	11,791	178,800	36,850
2027	449,765	41,900	10,727	185,100	30,504
2028-2032	1,493,585	140,910	37,282	547,800	65,688
2033-2037	769,461	75,100	19,771	114,900	6,417
2038-2042	683,851	52,600	4,227	0	0
2043-2047	509,372	0	0	0	0
2048-2052	193,913	0	0	0	0
Total	$5,762,155	$467,510	$125,275	$1,527,200	$286,007

Year	General Obligation Bonds		DD Facility Bonds		Business-Type Activities OWDA Loans	
Ended	Principal	Interest	Principal	Interest	Principal	Interest
2023	$135,000	$27,404	$13,300	$1,399	$8,898	$3,198
2024	141,000	20,947	13,700	950	9,032	3,064
2025	148,000	14,204	14,200	482	9,168	2,928
2026	149,000	7,128	0	0	9,306	2,790
2027	0	0	0	0	9,446	2,649
2028-2032	0	0	0	0	49,410	11,069
2033-2037	0	0	0	0	53,243	7,237
2038-2042	0	0	0	0	57,374	3,105
2043-2044					9,503	110
Total	$573,000	$69,683	$41,200	$2,831	$215,380	$36,150

Amortization schedules are not yet available for certain OPWC loans, so the above amortization tables will not agree to the debt obligation tables shown on pages 68 through 70.

The Rural Development bonds and loans, OPWC loans, and general obligation bonds are subject to default stipulations. According to the Rural Development bond/loan agreements, if any payments of principal or accrued interest on the bonds or the performance of any covenant or agreement contained within the bond agreement, Rural Development, at its option, may a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the case of default, and/or c) take possession of the facility, repair, maintain, and operate or rent it. According to the OPWC loan agreements, if the County fails to make any payment due and is not corrected within thirty days, the amount in default shall bear interest thereafter at the default rate of 8 percent per annum from the date of default until the date of payment. In addition, the entire principal remaining unpaid, together with accrued interest and other charges shall, at OPWC's option, become immediately due and payment. According to the general obligation bond agreements, whenever any event of default shall have occurred and be continuing, the issuer, credit facility provider, or trustee shall, in addition to any other remedies within the agreement or by law provide, have the right, without any further demand or notice, to take such steps and exercise such remedies as shall be directed by the administrator or the credit facility provider, including, without limitation, one or more of the following: a) Take any action permitted or required pursuant to the indenture; b) Tendering the bonds to the County for immediate purchase; and c) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the agreement or to enforce any other of its or their rights under the agreement.

The County's legal margin as of December 31, 2022 is $3,369,506.

Leases Payable

In previous years, the County has entered into various agreements to lease equipment. Due to the implementation of GASB 87, this lease has met the criteria of a lease thus requiring it to be recorded by the County. Lease payments are reflected as debt service expenditures in the general fund and the board of developmental disabilities and job and family services special revenue funds.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2023	$14,614	$1,357
2024	8,619	515
2025	2,217	182
2026	1,680	70
Total	$27,130	$2,124

Financed Purchases

In October 2022, the County entered into a financed purchase agreement with Ford Motor Credit Company, Inc. The two-party agreement was a contract to lease a vehicle to the County. Upon final payment of all scheduled lease payments, ownership reverts to the County. This agreement meets the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. Financed purchase payments are reflected as debt service expenditures in the general fund.

Principal and interest components of the scheduled financed purchase agreement payments outstanding at December 31, 2022 are shown below.

Year	Principal	Interest
2023	$18,240	$3,765
2024	19,742	2,263
2025	15,867	638
Total	$53,849	$6,666

Conduit Debt Obligation

The County has served as the issuer of $10,500,000 in adjustable rate health care facilities revenue refunding bonds. The proceeds were used by a private corporation to finance and refinance the acquisition, construction, and equipping of certain improvements to existing facilities and will provide hospital facilities. The revenue bonds do not constitute an indebtedness of the County. Neither is the full faith and credit to taxing power of the County pledged to make repayment. At June 30, 2022 (the latest information available), $8,828,917 was still outstanding.

Note 17 – Interfund Transactions

Interfund Transfers

For the year ended December 31, 2022, the County made the following transfers between funds:

	Transfers In	Transfers Out
Major Governmental Funds		
General	$1,085,677	$8,462,974
Board of Developmental Disabilities	0	14,738
Nonmajor Governmental Funds		
Dog and Kennel	95,000	0
Addiction Treatment Program	5,000	0
Electronic Monitoring House Arrest	18,000	0
CDBG Target of Opportunity Program	25	0
Emergency Medical Services Levy	0	1,085,677
Children Services	0	6,542
Community Development	0	25
Senior Citizens Levy	0	154,740
Pike County Consolidated Bond Retirement	100,723	0
Airport Hangars Notes Debt Service	3,600	0
Pike County Senior Citizens Debt Service	154,740	0
Debt Service	14,738	0
Total Nonmajor Governmental Funds	391,826	1,246,984
Major Enterprise Fund		
Sewer	8,247,193	0
Total All Funds	$9,724,696	$9,724,696

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The general fund also received a transfer from the emergency medical service fund to close out the fund after the EMS department privatized and separated from the County. These transfers comply with all applicable laws.

Interfund Balances

At December 31, 2022, $173,000 advanced from the County's community development nonmajor special revenue fund to the related EPA recycle Ohio grant nonmajor special revenue fund remained outstanding. This fund was advanced to provide operating funds in anticipation of grant funds not received by year-end.

In 2021, the general fund advanced $5,000 and $15,000 to the grant addiction treatment and Ohio law enforcement body armor program grant nonmajor special revenue funds, respectively. The original advances were repaid twice in error. As such, these amounts are reported as amounts due from the general fund to these respective nonmajor funds to reflect subsequent correction of these errors. In 2022, the general fund advanced $2,400 to the fed-DOE-agreement in principle nonmajor special revenue fund to provide funds for operations until grant funds were received. Once received, the County processed the repayment, but inadvertently repaid the general fund from the children's services nonmajor special revenue fund in error. As such, these amounts are reported as amounts due between these respective nonmajor funds to reflect subsequent correction of these errors.

Note 18 – Jointly Governed Organizations

Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self Insurance Council is a jointly governed organization that serves Athens, Hocking, Jackson, Meigs, Monroe, Morgan, Noble, Perry, Pike, Vinton, and Washington Counties and was formed as an insurance purchasing pool for the purpose of providing general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the organization base on actuarially determined rates. The degree of control exercised by any participating government is limited to its representation on the Board. Pike County does not have any ongoing interest or responsibility in the organization.

Ohio Government Risk Management Plan

The Buckeye Joint-County Self Insurance Council belongs to the Ohio Government Risk Management Plan; an unincorporated non-profit association with approximately 500 public entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each member's needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the member's deductible. The Plan uses conventional insurance coverages and reinsures these coverages. The Plan retains a small portion of the risk as identified in the Plan's financial statements presented on the website at www.ohioplan.com. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties

The Paint Valley Mental Health Alcohol and Drug Addiction Board of Pike, Fayette, Highland, Pickaway, and Ross Counties is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring, and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway, and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board receives revenue from the participating counties and receives federal and state funding through grant monies which are applied for and received by the Board of Trustees.

Pike County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Pike County has no ongoing financial interest or responsibility. During 2022, Pike County contributed $422,918 to the program.

Hocking Valley Community Residential Center

Hocking Valley Community Residential Center is a jointly governed organization created to construct and operate the Center for the rehabilitation of juvenile felony offenders. The multi-county agreement members are Pike, Hocking, Fairfield, Washington, Lawrence, Meigs, Jackson, Athens, Gallia, Vinton, and Scioto Counties. The Juvenile Judge of each county is the respective county's representative to the Board of Advisors which in turns selects the superintendent of the Center.

The participating counties shall not be obligated to furnish funds for the construction or operation of the Center. All funds will be from the State of Ohio. Pike County does not have financial interest or responsibility.

South Central Regional Juvenile Detention Center

The South Central Regional Juvenile Detention Center is a jointly governed organization that was created as a holding place for juvenile offenders waiting for disposition by the respective juvenile courts of the member counties. The current members include Pike, Ross, Jackson, Fayette, Vinton, and Highland Counties. The Center's Board consists of one member from each participating county that is appointed by the Juvenile Court Judge or a County Commissioner from each county. The joint Board selects the superintendent as the Center's administrator.

The Center's revenue is from per diem charges for inmates to the respective counties and a percentage of the county tax base to the total tax base. Ross County is the fiscal agent of the Center. Pike County does not have any financial interest or responsibility. During 2022, Pike County contributed $164,190 to the Center.

Ohio Valley Resource Conservation and Development Area, Inc.

The Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservation and Development Area, Inc. was created to aid regional planning to participating counties. Pike County, along with Ross, Vinton, Highland, Brown, Adams, Scioto, Jackson, Gallia, and Lawrence Counties, each appoints three members to the thirty-member Council. The Council selects an administrator to oversee operations.

Each county contributes $100 annually; other revenues are from USDA grants. Pike County does not have any financial interest or responsibility nor can it significantly influence the management of the Center.

Job Training Partnership Consortium

The Governor has designated Pike, Scioto, Adams, Jackson, Highland, and Brown Counties as a Service Delivery Area. A Job Training Partnership Agreement between Pike, Scioto, Adams, Jackson, Highland, and Brown Counties Consortium and the Private Industry Council (PIC) was entered into pursuant to the provisions of the Job Training Partnership Act of 1982 (the Act) Public Law 97-300. The objective of the JTPA is to provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. Funds for the operations of the JTPA are received through grant revenue from the State of Ohio. Scioto County has been designated by the PIC, pursuant to Section 103 (b) (1) (B) of the Act, to serve as the grant recipient of all JTPA funds and any other federal, state, or private funds which it is legally empowered to accept on behalf of the PIC.

Each Board of County Commissioners must choose a Chief Elected Official (CEO) to represent the County in the JTPA. The CEO is responsible for approving job training plans, grants, policies, and operating guidelines for the administration of the programs, delegation of duties for the programs, and appointment/termination of the Director of the Job Training Partnership Office. Pike County does not have any financial interest or responsibility.

Private Industry Council (PIC)

The PIC is a jointly governed organization consisting of representatives from the private and public sectors of Pike, Scioto, Adams, Jackson, and Brown Counties appointed by the County Commissioners from each county. The Board of Trustees is the governing board of the PIC. The Board of Trustees elects a President, Vice President, Secretary, Treasurer, and an Executive Director. The President may execute, without limitation, contracts, bonds, notes, debentures, deeds, mortgages, and other obligations in the name of the PIC. The County does not have any financial interest or responsibility. The Private Industry Council received no contributions from the County during 2022.

Southern Ohio Development Initiative

Southern Ohio Development Initiative was created with assistance from the U.S. Department of Energy to assist in the development of industrial areas to offset the potential downsizing and privatization of the Uranium Enrichment Plant in Piketon, Ohio. It is a legally separate not-for-profit corporation with representatives from each of the counties impacted by the events at the Piketon Plant. The Counties involved in this initiative are Pike, Ross, Scioto, and Jackson Counties. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Initiative received no contributions from the County during 2022.

Southern Ohio Council of Governments

The Pike County Board of Developmental Disabilities 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. The Council acts as fiscal agent for the Pike County Board of Developmental Disabilities' supportive living program monies. The County had a $13,528 balance on hand with the Council which includes investments at cost. 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.

Scioto Valley-Piketon Area Council of Governments

In 2019, the Scioto Valley-Piketon Area Council of Governments (COG) was established as a regional council of governments through a resolution voted on by members of the following entities: Pike County, Scioto Valley Local School District, the Village of Piketon, Seal Township, and Scioto Township. The Council was formed to create one voice among the affected local government jurisdictions to ensure the needs and concerns of the community directly impacted by chronic chemical and radiological contamination released into the water, air, and soil from operations, demolition activities, and onsite waste disposal at the U.S. Department of Energy's Portsmouth Site are incorporated into state and federal government decisions. The Council was funded through membership fees and a grant from the U.S. Department of Energy in 2022. During 2022, the County contributed $50,868 to the COG. Financial statements can be obtained by writing to the Scioto Valley-Piketon Area Council of Governments, 411 South West Street, Piketon, Ohio 45661.

Note 19 – Related Organizations

Garnet A. Wilson Library of Pike County

The Garnet A. Wilson Library of Pike County is a political subdivision that is governed by a board of trustees appointed by the County Commissioners. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Library received no contributions from the County during 2022.

Pike Metropolitan Housing Authority

The Pike Metropolitan Housing Authority is a political subdivision that consists of five members. One member is appointed by the probate court, one member by the court of common pleas, one member by the board of county commissioners, and two members by the chief executive officer of the most populous city included in the district, in accordance with the last preceding federal census. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Authority received $261,370 from the County during 2022.

Pike Adult Activities Center

The Pike Adult Activities Center, dba Canal Industries, is a nonprofit organization that is governed by a self-appointed Board. The Pike Adult Activities Center provides services to adults in Pike County and has a contract with Pike County Board of Developmental Disabilities to provide certain services to these adults. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The amount of payments made by the County to the Pike Adult Activities Center was $124,438 in 2022 for goods and services plus the annual contract amount.

Note 20 – Contingent Liabilities

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.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from 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.

Note 22 – 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 governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Motor Vehicle Gasoline Tax	Board of Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Inventory	$35,044	$504,628	$0	$2,390	$542,062
Prepaid Items	90,623	13,097	26,879	68,325	198,924
Unclaimed Monies	551,717	0	0	0	551,717
Other Purposes	155,892	0	0	0	155,892
Total Nonspendable	833,276	517,725	26,879	70,715	1,448,595
Restricted					
Loans	0	0	0	184,720	184,720
Capital Projects	0	0	0	187,496	187,496
Debt Service	0	0	0	333,822	333,822
Community Development	0	0	0	1,329,682	1,329,682
Law Enforcement	0	0	0	102,275	102,275
Children Services	0	0	0	2,336,964	2,336,964
Child Support Enforcement	0	0	0	971,310	971,310
Motor Vehicle Gasoline Tax	0	2,628,794	0	0	2,628,794
Court Services	0	0	0	485,005	485,005
Senior Citizens	0	0	0	1,010,642	1,010,642
Board of Developmental Disabilities	0	0	4,448,829	0	4,448,829
Job and Family Services	0	0	0	211,616	211,616
Emergency Medical Services	0	0	0	1,742	1,742
Real Estate Assessment	0	0	0	242,185	242,185
Other Federal and State Programs	0	0	0	1,530,597	1,530,597
Total Restricted	0	2,628,794	4,448,829	8,928,056	16,005,679
Assigned					
Future Purchases	904,185	0	0	0	904,185
Unassigned (Deficit)	6,252,538	0	0	(237,045)	6,015,493
Total Fund Balances	$7,989,999	$3,146,519	$4,475,708	$8,761,726	$24,373,952

The American rescue plan act major special revenue fund did not report a fund balance at year-end.

Note 23 – New Accounting Pronouncements and Restatement of Beginning Balances

For 2022, the County implemented GASB Statement No. 87, "Leases" and Implementation Guide No. 2019-3, "Leases". GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The objective of the Implementation Guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, "Leases". Changes for these implementations have been incorporated in the County's financial statements and note disclosures. Below is the effect on the County's previously reported net position.

	Governmental Activities
Net Position, As Reported, December 31, 2021	$43,519,365
Restatements for GASB 87	16,518
Net Position, As Restated, January 1, 2022	$43,535,883

For 2022, the County implemented GASB Statement No. 91, "Conduit Debt Obligations". GASB Statement No. 91 provides a single method for government issuers to report conduit debt obligations and related commitments. The enhanced guidance is designed to eliminate diversity in practice associated with these issues. Statement 91 clarifies what is a conduit debt obligation; eliminates the option for government issuers to recognize conduit debt obligations, thereby providing a single method of reporting; broadens the definition of conduit debt obligations to include those for which government issuers (1) make related additional commitments, such as guarantees or moral obligation pledges, or (2) voluntarily agree to make debt service payments or request an appropriation for such payments, if necessary; clarifies how government issuers should account for and report (1) commitments they extend or voluntarily provide and (2) arrangements associated with conduit debt obligations, which often are characterized in practice as leases, but are not leases for financial reporting purposes; and enhances note disclosures. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 92, "Omnibus 2020". GASB Statement No. 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include: modification of the effective date of Statement No. 87, "Leases", as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports; reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended," and Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended," to reporting assets accumulated for pensions and OPEB; the applicability of certain requirements of Statement No. 84, "Fiduciary Activities", to pension and OPEB arrangements; and measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBORs) to other reference rates. It addresses those and other accounting and financial reporting implications of the replacement of an IBOR by providing an exception to the lease modifications guidance in Statement 87 for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The County analyzed this Statement's applicability and determined there to be no impact on the financial statements or note disclosures.

For 2022, the County implemented GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". GASB The requirements of Statement No. 97 that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of Statement No. 97 that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within Statement No. 97.

Due to a significant amount of activity during 2022, the County reported the activity of the Pike County Land Reutilization Corporation. As a result, beginning net position was included in the amount of $84,548.

Note 24 – Miscellaneous

The general fund recognized miscellaneous revenue of $5,763,826, most of which was reimbursements for the American rescue plan act fund for prior year expenditures that were analyzed during 2022 and deemed eligible expenditures for ARPA funding.

Note 25 – Discretely Presented Component Unit

As indicated in note 1, the following disclosures are made on behalf of the Pike County Land Reutilization Corporation.

Note 25A – Description of the Reporting Entity

The Pike County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on July 23, 2018 when the Pike County Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen the neighborhoods in Pike County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five to nine members including two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population, and one representative from a township with a population of over 10,000. The Corporation is classified as a component unit of Pike County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statements No. 39 and 61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from the Board of Revision, Sheriff's sales, bank owned real estate, County Fiscal Officer, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The financial statements include all agencies, divisions, and operations for which the Corporation is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Corporation itself is included in the financial reporting entity.

Note 25B – Summary of Significant Accounting Policies

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation's significant accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities.

<u>Government-Wide Financial Statements</u>

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business type. The Corporation, however, does not have any business-type activities.

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

Measurement Focus

<u>Government-Wide Financial Statements</u>

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of Accounting

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

<u>Revenues - Exchange and Nonexchange Transactions</u>

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

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

Expenses/Expenditures

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

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for governmental entities.

Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

Assets Held for Development

Assets held for development represents properties purchased by or donated to the Corporation. These properties are valued based upon acquisition cost plus any costs of maintenance, rehabilitation, or demolition costs. The Corporation holds the properties until they are either sold to individuals who rehabilitate them, or the structure on the properties is demolished and the property is transferred to a new owner.

Accrued Liabilities

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, granters, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2022. The Corporation applies restricted resources first when an expense is incurred for which restricted and unrestricted amounts are available.

Estimates

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

Note 25C – Deposits

At December 31, 2022, $250,000 of the Corporation's bank balance of $295,158 was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining amount is collateralized by the Ohio Pooled Collateral System {OPCS), as discussed below.

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

Note 25D – Transactions with Pike County

In 2022, the Pike County Commissioners provided contributions totaling $30,610 to the Corporation to satisfy outstanding liens on the Greenbaum Building.

Note 25E - Contingent Liabilities

Litigation

The Corporation is not currently a party to any legal proceeding.

Grants

The Corporation received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund. However, the effect of any such disallowed claims on the overall financial position of the Corporation at December 31, 2022, if applicable, cannot be determined at this time.

Pike County

Required Supplementary Information

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

Ohio Public Employees Retirement System

Last Nine Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension (1)									
County's proportion of the net pension liability	0.0611830%	0.0611830%	0.0781520%	0.0821170%	0.0892060%	0.0860910%	0.0763350%	0.0772210%	0.0731060%
County's proportionate share of the net pension liability	$7,212,679	$7,379,353	$13,536,912	$18,647,375	$13,994,692	$23,578,580	$15,088,131	$11,434,749	$6,360,518
County's covered-employee payroll	$10,615,570	$7,810,198	$8,441,153	$8,248,467	$11,698,365	$10,810,217	$10,554,527	$10,856,595	$10,629,041
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	67.94%	94.48%	160.37%	226.07%	119.63%	218.11%	142.95%	105.33%	59.84%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%
OPEB (2)									
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	0.0782869%	0.0844100%	0.0813100%	0.0722260%	0.0731070%	0.0692960%
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	$7,907,243	$9,166,304	$10,600,905	$9,976,287	($1,302,460)	($2,170,457)
County's covered-employee payroll	N/A	N/A	N/A	$8,248,467	$11,698,365	$10,810,217	$10,554,527	$10,856,595	$10,629,041
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	95.86%	78.36%	98.06%	94.52%	-12.00%	-20.42%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	54.05%	54.14%	46.33%	47.80%	115.57%	128.23%

The amounts presented for each year were determined as of December 31 of the previous year, which is the County's measurement date.
(1) Information not available prior to 2014.
(2) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Pike County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pension										
County's proportion of the net pension liability	0.002078860%	0.002078860%	0.002253610%	0.002126760%	0.002089000%	0.001719920%	0.001676910%	0.001609670%	0.001613197%	0.001626910%
County's proportionate share of the net pension liability	$602,328	$505,651	$622,832	$711,891	$496,246	$378,172	$370,839	$389,483	$206,262	$361,664
County's covered-employee payroll	$194,764	$230,200	$253,029	$241,557	$232,564	$217,900	$189,907	$197,536	$195,314	$205,321
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	309.26%	219.66%	246.15%	294.71%	213.38%	173.55%	195.27%	197.17%	105.61%	176.15%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	74.71%	72.09%	66.80%	75.30%	77.30%	77.40%	75.50%	87.80%	78.90%
OPEB (1)										
County's proportion of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	0.002089000%	0.001719920%	0.001676910%	0.001609670%	0.001613197%	0.001626910%
County's proportionate share of the net OPEB (asset)	N/A	N/A	N/A	N/A	$0	($27,637)	($27,774)	($28,290)	($34,013)	($42,126)
County's proportionate share of the net OPEB liability (asset)	N/A	N/A	N/A	N/A	$81,505	$0	$0	$0	$0	$0
County's covered-employee payroll	N/A	N/A	N/A	N/A	$232,564	$217,900	$189,907	$197,536	$195,314	$205,321
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	35.05%	-12.68%	-14.63%	-14.32%	-17.41%	-20.52%
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	N/A	N/A	N/A	47.11%	176.00%	174.74%	182.10%	174.70%	230.70%

The amounts presented for each year were determined as of June 30 of the current year, which is the County's measurement date.
(1) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Pike County
Required Supplementary Information
Schedule of the County's Contributions
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ohio Public Employees Retirement System-Local Government										
Contractually required contribution - pension	$1,250,398	$852,532	$897,804	$838,310	$1,338,816	$1,348,819	$1,349,424	$1,348,527	$1,312,870	$1,117,449
Contractually required contribution - OPEB	96,184	142,089	149,634	139,718	102,986	0	0	0	0	0
Contractually required contribution - total	1,346,582	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527	1,312,870	1,117,449
Contributions in relation to the contractually required contribution	1,346,582	994,621	1,047,438	978,028	1,441,802	1,348,819	1,349,424	1,348,527	1,312,870	1,117,449
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$9,618,443	$7,104,436	$7,481,700	$6,985,914	$10,298,586	$9,634,421	$9,638,743	$9,632,336	$9,377,643	$7,981,779
Contributions as a percentage of covered-employee payroll - pension	13.00%	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Ohio Public Employees Retirement System-Law Enforcement										
Contractually required contribution - pension	$170,509	$113,628	$154,474	$203,271	$239,362	$212,819	$165,757	$221,591	$226,503	$226,467
Contractually required contribution - OPEB	9,971	14,115	19,187	25,251	13,998	0	0	0	0	0
Contractually required contribution - total	180,480	127,743	173,661	228,522	253,360	212,819	165,757	221,591	226,503	226,467
Contributions in relation to the contractually required contribution	180,480	127,743	173,661	228,522	253,360	212,819	165,757	221,591	226,503	226,467
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$997,127	$705,762	$959,453	$1,262,552	$1,399,779	$1,175,796	$915,785	$1,224,260	$1,251,398	$1,251,199
Contributions as a percentage of covered-employee payroll - pension	17.10%	16.10%	16.10%	16.10%	17.10%	18.10%	18.10%	18.10%	18.10%	18.10%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%	18.10%
State Teachers Retirement System										
Contractually required contribution - pension	$29,926	$32,894	$33,818	$32,559	$30,506	$26,587	$27,655	$27,344	$28,745	$30,280
Contractually required contribution - OPEB	2,302	2,530	0	0	0	0	0	0	0	0
Contractually required contribution - total	32,228	35,424	33,818	32,559	30,506	26,587	27,655	27,344	28,745	30,280
Contributions in relation to the contractually required contribution	32,228	35,424	33,818	32,559	30,506	26,587	27,655	27,344	28,745	30,280
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County's covered-employee payroll	$230,200	$253,029	$241,557	$232,564	$217,900	$189,907	$197,536	$195,314	$205,321	$216,286
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Note 1 – Ohio Public Employees Retirement System

Pension

Changes in benefit terms

There were no significant changes in benefit terms for 2015 through 2017.

For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent.

There were no significant changes in benefit terms for 2019 or 2020.

For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

For 2022, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from .5 percent simple through 2021 then 2.15 percent simple to 3 percent simple through 2022 then 2.05 percent simple.

Changes in assumptions

There were no significant changes in assumptions for 2015 through 2018.

For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent.

For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent.

There were no significant changes in assumptions for 2020 or 2021.

For 2022, the investment rate of return decreased from 7.2 percent to 6.9 percent.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2022.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.

For 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The wage inflation rate decreased from 3.25 percent to 2.75 percent.
- The municipal bond rate decreased from 2.00 percent to 1.84 percent.

The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

Note 2 – State Teachers Retirement System

Pension

Changes in Assumptions

Amounts reported beginning in 2022 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2021, 2017, and 2016 and prior are presented as follows:

	2022	2021
Inflation	2.5 percent	2.5 percent
Projected Salary Increases	Varies by service from 2.5% to 8.5%	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7 percent, net of investment expenses, including inflation	7 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Cost of Living Adjustments	0 percent	0 percent

	2017-2020	2016 and Prior
Inflation	2.5 percent	2.75 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments	0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

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

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

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. Actuarial assumptions used in the July 1, 2021 and prior valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

OPEB

Changes in Assumptions

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. Actuarial assumptions used in the July 1, 2021 and prior valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2015.

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

For 2021, the discount rate was decreased from 7.45 percent to 7 percent.

For 2019 and 2020, there were no changes in assumptions.

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

Changes in Benefit Terms

For 2022, the non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.1% to 2.2%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023. The Medicare Part B monthly reimbursement was increased from $29.90 to $30 and all retirees and surviving spouses are now eligible for the Part B premium reimbursement.

For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in 2022. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

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

Federal Grantor *Pass-Through Grantor* Program/Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
Passed Through Ohio Department of Job and Family Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6978	$0	$293,132
Total SNAP Cluster			0	293,132
Total United States Department of Agriculture			**0**	**293,132**
United States Department of Housing and Urban Development				
Passed Through Ohio Department of Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-19-1CI-1	0	37,438
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-21-1CI-1	0	18,627
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-C-21-1CI-1	0	42,185
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-X-20-1CI-1	0	189,593
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-D-21-1CI-1	0	201,440
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			0	489,283
Home Investment Partnerships Program	14.239	B-C-19-1CI-2	0	9,600
Total United States Department of Housing and Urban Development			**0**	**498,883**
United States Department of Transportation				
Direct:				
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	3-39-0088-0020-2022	0	167,330
Passed Through Ohio Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	108464	0	28,364
Total Highway Planning and Construction Cluster			0	28,364
Total United States Department of Transportation			**0**	**195,694**
United States Department of the Treasury				
Direct:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N	0	5,334,888
Total United States Department of the Treasury			**0**	**5,334,888**
United States Department of Energy				
Direct:				
Environmental Remediation and Waste Processing and Disposal	81.104	N	0	27,910
Total United States Department of Energy			**0**	**27,910**
United States Department of Education				
Passed Through Ohio Department of Education:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027A	N/A	0	32,258
COVID-19 Special Education Grants to States	84.027X	N/A	0	1,524
Special Education Preschool Grants	84.173A	N/A	0	23
COVID-19 Special Education Preschool Grants	84.173X	N/A	0	113
Total Special Education Cluster (IDEA)			0	33,918
Passed Through Ohio Department of Developmental Disabilities:				
COVID-19 Special Education-Grants for Infants and Families	84.181X	H181X210024	0	10,984
Special Education-Grants for Infants and Families	84.181	H181A200024	0	16,900
Total Special Education-Grants for Infants and Families			0	27,884
Total United States Department of Education			**0**	**61,802**

(continued)

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

Federal Grantor *Pass-Through Grantor* Program/Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Election Assistance Commission (EAC)				
Passed Through Ohio Secretary of State:				
HAVA Election Security Grants	90.404	N/A	$0	$660
Total United States Election Assistance Commission (EAC)			**0**	**660**
United States Department of Health and Human Services				
Passed Through Ohio Department of Job and Family Services:				
Temporary Assistance for Needy Families	93.558	G-2223-11-6978	283,399	1,714,753
Passed Through Ohio Department of Job and Family Services:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2223-11-6978	0	60,274
Total CCDF Cluster			0	60,274
Passed Through Ohio Department of Developmental Disabilities:				
Social Services Block Grant	93.667	K8MWUV7D8HZ4	0	9,555
Passed Through Ohio Department of Job and Family Services:				
Social Services Block Grant	93.667	G-2223-11-6978	0	294,979
Total Social Services Block Grant			0	304,534
Passed Through Ohio Department of Job and Family Services:				
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5980	0	22,660
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2223-11-6978	0	474,899
Total Medicaid Cluster			0	474,899
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6978	0	6,733
Child Support Enforcement	93.563	G-2223-11-6978	0	161,717
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6978	0	9,698
Foster Care-Title IV-E	93.658	G-2223-11-6978	0	602,600
Adoption Assistance	93.659	G-2223-11-6978	0	267,709
Passed Through Ohio Department of Health:				
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	06610021MH0622	0	112,494
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	06610021MH0723	0	35,406
Total Maternal, Infant, and Early Childhood Home Visiting Grant			0	147,900
Total United States Department of Health and Human Services			**283,399**	**3,773,477**
United States Department of Homeland Security				
Passed Through Ohio Emergency Management Agency:				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR-131-USEYE-00	0	80,529
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	0	30,534
Total United States Department of Homeland Security			**0**	**111,063**
Total Federal Awards Expenditures			**$283,399**	**$10,297,509**

N/A - pass-through entity number not available.
N - direct from the federal government

See the accompanying notes to the schedule of federal awards expenditures.
See independent accountant's compilation report.

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Pike 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, changes in financial position, or cash flows, where applicable, of the County.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

Note 3 – Indirect Cost Rate

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

Note 4 – Matching Requirements

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

Note 5 - Subrecipients

The County passes certain federal awards received from the United States Department of Health and Human 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 6 – Transfers Between Federal Programs

During 2022, the County made allowable transfers of $170,000 from the Social Services Block Grant (SSBG) (93.667) program to the Temporary Assistance for Needy Families (TANF) (93.558) program. The schedule shows the County spent $304,534 on the Social Services Block Grant program. The amount reported for the Social Services Block Grant program on the schedule excludes the amount transferred to the TANF program. The amount transferred to the TANF program is included as TANF expenditures when disbursed. The following table shows the gross amount drawn for the Social Services Block Grant program during 2022 and the amount transferred to the Temporary Assistance for Needy Families program.

Social Services Block Grant	$474,534
Transfer to Temporary Assistance for Needy Families	(170,000)
Total Social Services Block Grant	$304,534

Note 7 – Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Grant Programs with Revolving Loan Cash Balances

The cash balances in the County's local program income accounts as of December 31, 2022 were $19,468 for CDBG and $33,278 for HOME.

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
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate presented component unit and remaining fund information of Pike 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 November 10, 2023.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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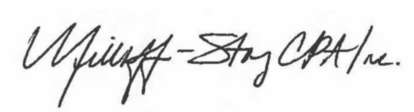
Report on Compliance and Other Matters

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

Purpose of this Report

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



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

November 10, 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
Pike County
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited the compliance of Pike County, Ohio (the County) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2022. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program for the year ended December 31, 2022.

Basis for Qualified Opinion

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 qualified opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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Matters Giving Rise to Qualified Opinion on Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds Program as described in finding number 2022-001 and 2022-002 for Suspension and Debarment and Period of Performance.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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 the 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

November 10, 2023

Section I – Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal program(s):	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Qualified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major federal program(s):	Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027
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

None

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027		
Federal Award Number and Year	2022		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	N/A		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

Finding 2022-001 – Material Weakness/Noncompliance – Suspension and Debarment

31 CFR 19 gives regulatory effect to the Department of Treasury for 2 CFR Section 180.305 which states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 2 CFR Section 180.135.

Finding 2022-001 – Material Weakness/Noncompliance – Suspension and Debarment (continued)

"Covered transactions" include nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed $25,000 or meet certain other specified criteria outlined in 2 CFR § 180.220s. All nonprocurement transactions (i.e. subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless listed in the exemptions in 2 CFR § 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by:

(1) checking the System for Award Management (Sam.gov),
(2) collecting a certification from the entity, or
(3) adding a clause or condition to the covered transaction with that entity (2 CFR 180.300).

The County did not have the proper internal controls in place to verify that all entities, with whom the County had entered into covered transactions, had not been suspended or debarred. Due to the deficient internal control structure, the required verification was not completed for all vendors tested with covered transactions in the Coronavirus State and Local Fiscal Recovery Funds during Fiscal Year 2022. Those transactions had a payment to a vendor of equal or greater than $25,000 and there was no evidence the County checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor.

Failing to have the appropriate internal controls in place may result in suspended or debarred vendors receiving federal funds.

Prior to contracting with vendors that will be paid with federal funds, the County should verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Client Response:
See corrective action plan.

ALN Title and Number	COVID-19 Coronavirus State and Local Fiscal Recovery Funds, AL #21.027		
Federal Award Number and Year	2022		
Federal Agency	United States Department of the Treasury		
Pass-Through Entity	N/A		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

Finding 2022-002 – Material Weakness/Noncompliance – Period of Performance

Sections 2 CFR 200.308, 200.309, and 200.403(h) state that a non-Federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Recipients of State and Local Fiscal Recovery Funds (SLFRF) may only use funds to cover costs incurred during the period beginning on March 3, 2021 and ending on December 31, 2024 per section 602(g)(1) of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 and Treasury's Interim Final Rule at 31 C.F.R. § 35.5(a).

Finding 2022-002 – Material Weakness/Noncompliance – Period of Performance (Continued)

The County used SLFRF funds to reimburse expenditures that were incurred prior to March 3, 2021. The County identified replacement expenditures within the period of availability which were allowable.

The County should implement the appropriate procedures to ensure that only allowable expenditures incurred within the period of performance are used for reimbursement with Federal funds.

Client Response:
See corrective action plan.

Davida K. Brown
Pike County Auditor

Pike County Government Center
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690-1222
Phone: 740-947-4125

Schedule of Prior Year Audit Findings
2 CFR Section 200.511(b)
December 31, 2022

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
Finding 2021-001	Significant Deficiency – Financial Reporting	No	Partially corrected - reissued in management letter

Davida K. Brown
Pike County Auditor

Pike County Government Center
230 Waverly Plaza, Suite 200
Waverly, Ohio 45690-1222
Phone: 740-947-4125

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	The County plan has been implemented.	Immediately	Davida Brown, County Auditor
2022-002	The County plan has been implemented.	Immediately	Davida Brown, County Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

PIKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/21/2023

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