SANDUSKY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

SANDUSKY COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS

SANDUSKY COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS
(Continued)

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sandusky 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sandusky County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, American Rescue Plan and County Board of Developmental Disabilities funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

This page intentionally left blank.

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the County increased $15,559,844 from 2021. Net position of governmental activities increased $15,478,806, which represents a 20.84% increase from 2021. Net position of business-type activities increased $81,038, or 1.39% from 2021.

- General revenues accounted for $35,241,346 or 47.16% of total governmental activities revenue. Program specific revenues accounted for $39,481,975 or 52.84% of total governmental activities revenue.

- The County had $59,244,515 in expenses related to governmental activities; $39,481,975 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property and sales taxes) of $35,241,346 were more than adequate to provide for these programs.

- The General fund, the County's largest major fund, had revenues and other financing sources of $23,120,941 in 2022, an increase of $36,372 or 0.16% from 2021 revenues and other financing sources. The General fund had expenditures and other financing uses of $20,967,535 in 2022, a decrease of $2,089,926 or 9.06% from 2021 expenditures and other financing uses. The fund balance of the General fund increased $2,153,406 from 2021 to 2022.

- The American Rescue Plan fund, a County major fund, had revenues and expenditures of $7,166,664 in 2022 resulting in a zero-fund balance at year end. The American Rescue plan fund was established during 2021 to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

- The County Board of Developmental Disabilities (DD) fund, a County major fund, had revenues of $10,699,622 in 2022. The County board of DD fund had expenditures of $10,080,226 in 2022. The fund balance of the County board of DD fund increased $619,396 from 2021 to 2022.

- The General fund's original budgeted revenues and other financing sources of $19,608,441 were $10,329,696 less than the final budgeted revenues and other financing sources of $29,938,137. Actual revenues and other financing sources of $29,925,558 were less than final budgeted revenues and other financing sources by $12,579. The original budgeted appropriations and other financing uses of $22,183,495 were less than final budgeted appropriations and other financing uses by $8,087,703. The final budgeted appropriations and other financing uses of $30,271,198 were greater than actual expenditures and other financing uses of $25,531,090 by $4,740,108.

Using the Basic Financial Statements (BFS)

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

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 non-major funds presented in total in one column. In the case of the County, there are three major governmental funds. The General fund is the largest major fund.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, how did we do financially during 2022? These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take 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 tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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 human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including Federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports 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, the American Rescue Plan fund, and the County Board of Developmental Disabilities (DD) fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its sanitary sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for a self-funded workers compensation insurance program for employees of the County and several governmental units within the County. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

The RSI contains information regarding the County's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and State Teacher's Retirement System (STRS) net pension liability/net pension asset, net OPEB liability/net OPEB asset and the County's schedule of contributions to OPERS and STRS.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the County as a whole. The table on the following page provides a summary of the County's net position for 2022 and 2021. Amounts in the 2021 columns in the table below have been restated to include the lease receivable from the implementation of GASB Statement No. 87 (see Note 3.A for details).

Net Position

	Governmental Activities 2022	Business-type Activities 2022	(Restated) Governmental Activities 2021	Business-type Activities 2021	2022 Total	(Restated) 2021 Total
Assets						
Current and other assets	$ 99,364,053	$ 1,102,458	$ 91,264,527	$ 1,070,346	$ 100,466,511	$ 92,334,873
Capital assets	52,140,364	11,865,882	52,901,830	12,205,926	64,006,246	65,107,756
Total assets	151,504,417	12,968,340	144,166,357	13,276,272	164,472,757	157,442,629
Deferred outflows	7,093,354	118,167	5,530,903	113,351	7,211,521	5,644,254
Total assets and deferred outflows	158,597,771	13,086,507	149,697,260	13,389,623	171,684,278	163,086,883
Liabilities						
Long-term liabilities outstanding	27,203,955	6,808,945	35,793,099	7,184,856	34,012,900	42,977,955
Other liabilities	7,352,286	85,756	8,266,826	148,154	7,438,042	8,414,980
Total liabilities	34,556,241	6,894,701	44,059,925	7,333,010	41,450,942	51,392,935
Deferred inflows	34,288,016	276,542	31,362,627	222,387	34,564,558	31,585,014
Total liabilities and deferred inflows	68,844,257	7,171,243	75,422,552	7,555,397	76,015,500	82,977,949
Net Position						
Net investment in capital assets	41,241,069	5,264,544	41,012,216	5,314,140	46,505,613	46,326,356
Restricted	40,447,756	-	34,477,566	-	40,447,756	34,477,566
Unrestricted (deficit)	8,064,689	650,720	(1,215,074)	520,086	8,715,409	(694,988)
Total net position	$ 89,753,514	$ 5,915,264	$ 74,274,708	$ 5,834,226	$ 95,668,778	$ 80,108,934

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

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/asset or net OPEB liability/asset. 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/asset and the net OPEB liability/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 healthcare 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 *as 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. As explained above, changes in benefits, contribution rates, and return on investments affect the balance 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 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 and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the County's assets and deferred inflows of resources exceeded liabilities and deferred outflows of resources by $95,668,778. This amounts to $89,753,514 in governmental activities and $5,915,264 in business-type activities. The County's finances remained strong during 2022, despite the slow economic recovery.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 38.92% of total governmental and business-type assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles, construction in progress, water and sewer lines and infrastructure. The net investment in capital assets at December 31, 2022, for governmental activities was $41,241,069. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital position is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net position, $40,447,756, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net position of $8,064,689.

The table on the following page shows the changes in net position for 2022 and 2021.

SANDUSKY COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)

Change in Net Position

	Governmental Activities 2022	Business-type Activities 2022	Governmental Activities 2021	Business-type Activities 2021	2022 Total	2021 Total
Revenues						
Program revenues:						
Charges for services and sales	$ 10,153,368	$ 1,824,710	$ 9,790,165	$ 1,773,631	$ 11,978,078	$ 11,563,796
Operating grants and contributions	28,645,197	13,752	22,339,987	13,752	28,658,949	22,353,739
Capital grants and contributions	683,410	-	268,080	1,238,000	683,410	1,506,080
Total program revenues	39,481,975	1,838,462	32,398,232	3,025,383	41,320,437	35,423,615
General revenues:						
Property taxes	16,362,133	-	16,131,089	-	16,362,133	16,131,089
Sales tax	14,151,278	-	13,622,787	-	14,151,278	13,622,787
Unrestricted grants	3,306,701	-	3,187,837	-	3,306,701	3,187,837
Investment earnings	970,239	9,750	326,330	16,632	979,989	342,962
Change in fair value of investments	(2,294,315)	-	(567,991)	-	(2,294,315)	(567,991)
Other	2,745,310	24,192	2,752,549	1,353	2,769,502	2,753,902
Total general revenues	35,241,346	33,942	35,452,601	17,985	35,275,288	35,470,586
Total revenues	74,723,321	1,872,404	67,850,833	3,043,368	76,595,725	70,894,201
Expenses						
Program expenses:						
General government	17,518,676	-	10,899,870	-	17,518,676	10,899,870
Public safety	12,411,432	-	7,726,872	-	12,411,432	7,726,872
Public works	6,448,173	-	4,633,147	-	6,448,173	4,633,147
Health	462,232	-	334,152	-	462,232	334,152
Human services	20,941,689	-	18,057,575	-	20,941,689	18,057,575
Economic development and assistance	952,818	-	1,104,764	-	952,818	1,104,764
Intergovernmental	201,000	-	187,300	-	201,000	187,300
Other	6,062	-	5,614	-	6,062	5,614
Interest and fiscal charges	302,433	-	346,471	-	302,433	346,471
Sanitary sewer	-	1,791,366	-	1,617,629	1,791,366	1,617,629
Total expenses	59,244,515	1,791,366	43,295,765	1,617,629	61,035,881	44,913,394
Change in net position	15,478,806	81,038	24,555,068	1,425,739	15,559,844	25,980,807
Net position at the beginning of the year	74,274,708	5,834,226	49,719,640	4,408,487	80,108,934	54,128,127
Net position at the end of the year	$ 89,753,514	$ 5,915,264	$ 74,274,708	$ 5,834,226	$ 95,668,778	$ 80,108,934

Governmental Activities

Governmental net position increased by $15,478,806 in 2022. This increase was the primary result of the decrease in the County net pension liability.

Overall, expenses of the governmental activities increased $15,948,750 or 36.84%. This increase is primarily the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS) in 2022. In addition, the County also received and spent more monies related to American Rescue Plan Act during 2022.

Human services expenses, which support the operations of the County board of DD, Job and Family Services, Veteran Services, and the Children Services Board, accounts for $20,941,689 of expenses, or 35.35% of total governmental expenses of the County. These expenses were funded by $145,866 in charges to users of services and $13,035,596 in operating grants and contributions in 2022.

General government expenses which includes legislative and executive and judicial programs, totaled $17,518,676 or 29.57% of total governmental expenses. General government expenses were covered by $4,967,030 of direct charges to users, $3,597,420 in operating grants and contributions and $82,547 in capital grants and contributions in 2022.

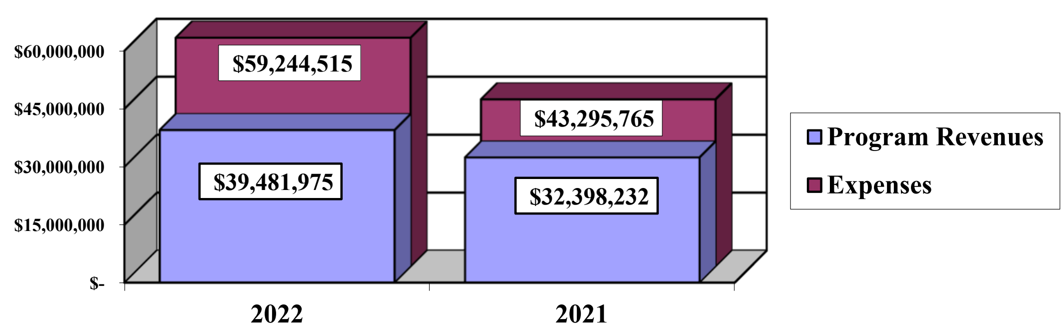
Public safety expenses totaled $12,411,432 or 20.95% of total governmental expenses. Public safety expenses were covered by $3,788,780 direct charges to users and $4,952,657 in operating in 2022.

The State and Federal government contributed to the County revenues of $28,645,197 in operating grants and contributions and $683,410 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions $13,035,596, or 45.51%, subsidized human services programs.

Governmental general revenues totaled $35,241,346 and amounted to 47.16% of total revenues. These revenues primarily consist of property and sales tax revenue of $30,513,411, or 86.58% of total governmental general revenues in 2022. The other primary source of general revenues is grants and entitlements not restricted to specific programs, which consists primarily of local government revenue and property tax reimbursements received from the State, $3,306,701 or 9.38% of total governmental general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities – Program Revenues vs. Total Expenses

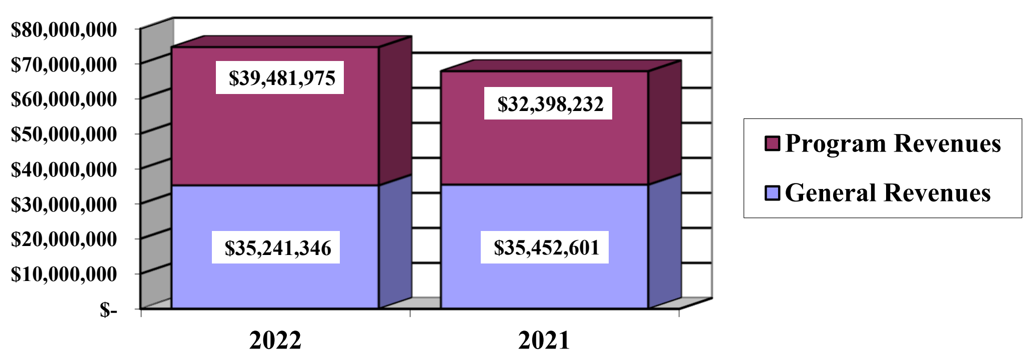


Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
General government	$ 17,518,676	$ 8,871,679	$ 10,899,870	$ 5,282,137
Public safety	12,411,432	3,669,995	7,726,872	2,321,883
Public works	6,448,173	(1,362,574)	4,633,147	(3,072,144)
Health	462,232	24,179	334,152	(58,179)
Human services	20,941,689	7,760,227	18,057,575	5,651,628
Economic development and assistance	952,818	318,461	1,104,764	296,308
Intergovernmental	201,000	201,000	187,300	187,300
Other	6,062	6,062	5,614	5,614
Interest and fiscal charges	302,433	273,511	346,471	282,986
Total	$ 59,244,515	$ 19,762,540	$ 43,295,765	$10,897,533

The dependence upon general revenues for governmental activities is apparent, with 33.36% of expenses supported through taxes and other general revenues during 2022.

Governmental Activities - General and Program Revenues



Business-Type Activities

The sanitary sewer is the County's only enterprise fund. This program had program revenues of $1,838,462, general revenues of $33,942 and expenses of $1,791,366 for 2022. The sanitary sewer fund's net position balance increased $81,038 in 2022.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The County's governmental funds reported a combined fund balance of $53,935,182, which is $5,376,111 more than last year's total of $48,559,071.

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022, for all major and non-major governmental funds.

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
Major funds:			
General	$ 10,309,517	$ 8,156,111	$ 2,153,406
County board of DD	18,054,840	17,435,444	619,396
Other nonmajor governmental funds	25,570,825	22,967,516	2,603,309
Total	$ 53,935,182	$ 48,559,071	$ 5,376,111

General Fund

The General fund, the County's largest major fund, had revenues and other financing sources of $23,120,941 in 2022, an increase of $36,372 or 0.16% from 2021 revenues and other financing sources. The General fund had expenditures and other financing uses of $20,967,535 in 2022, a decrease of $2,089,926 or 9.06% from 2021 expenditures and other financing uses. The fund balance of the General fund increased $2,153,406 from 2021 to 2022.

American Rescue Plan Fund

The American Rescue Plan fund, a County major fund, had revenues and expenditures of $7,166,664 in 2022 resulting in a zero-fund balance at year end. The American Rescue plan fund was established during 2021 to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

County Board of Developmental Disabilities Fund

The County Board of Developmental Disabilities (DD) fund, a County major fund, had revenues of $10,699,622 in 2022. The County board of DD fund had expenditures of $10,080,226 in 2022. The fund balance of the County board of DD fund increased $619,396 from 2021 to 2022.

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

The General fund's original budgeted revenues and other financing sources of $19,608,441 were $10,329,696 less than the final budgeted revenues and other financing sources of $29,938,137. Actual revenues and other financing sources of $29,925,558 were less than final budgeted revenues and other financing sources by $12,579. The original budgeted appropriations and other financing uses of $22,183,495 were less than final budgeted appropriations and other financing uses by $8,087,703. The final budgeted appropriations and other financing uses of $30,271,198 were greater than actual expenditures and other financing uses of $25,531,090 by $4,740,108.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported capital assets for intangible right to use - leased equipment at January 1, 2022, which was reported in the furniture and equipment classification in the prior year.

At the end of 2022, the County had $64,006,246 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, construction in progress, intangible right to use - leased equipment, sewer and water lines and infrastructure. Of this total, $52,140,364 was reported in governmental activities and $11,865,882 was reported in business-type activities. The following table shows 2022 and 2021 balances:

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	(Restated) 2021	2022	(Restated) 2021	2022	(Restated) 2021
Land	$ 2,348,604	$ 2,302,004	$ 71,465	$ 11,465	$ 2,420,069	$ 2,313,469
Land improvements	104,900	120,651	11,715	12,993	116,615	133,644
Building and improvements	17,210,422	11,300,389	948,077	970,131	18,158,499	12,270,520
Furniture and equipment	2,639,277	2,041,750	223,081	245,453	2,862,358	2,287,203
Vehicles	3,230,241	3,109,960	29,717	39,448	3,259,958	3,149,408
Infrastructure	26,131,554	25,223,731	-	-	26,131,554	25,223,731
Construction in progress	305,701	8,531,226	-	2,970,543	305,701	11,501,769
Intangible right to use:						
Leased equipment	169,665	272,119	2,193	3,656	171,858	275,775
Sewer and water lines	-	-	10,579,634	7,952,237	10,579,634	7,952,237
Total	$ 52,140,364	$ 52,901,830	$ 11,865,882	$ 12,205,926	$ 64,006,246	$ 65,107,756

During 2022, the County's governmental activities had $3,071,392 in additions, $340,596 (net of accumulated depreciation) in deletions and $3,492,262 in depreciation expense. See Note 11 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

Debt Administration

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported leases payable at January 1, 2022, which was reported in the prior year as capital lease obligations.

At December 31, 2022, the County's governmental activities had $11,831,804 in special obligation bonds, general obligation bonds, leases payable and OPWC loans. Of this total, $893,064 is due within one year and $10,938,740 is due in greater than one year. At December 31, 2022, the County's business-type activities had $6,601,338 in leases payable, OPWC and OWPCLF loans outstanding. Of this total, $297,177 is due within one year and $6,304,161 is due in greater than one year. The following table summarizes the bonds, leases and loans outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2022	Business-Type Activities 2022	(Restated) Governmental Activities 2021	(Restated) Business-Type Activities 2021
Long-term obligations:				
Special obligation bonds	$ 4,640,000	$ -	$ 5,205,000	$ -
General obligation bonds	6,675,000	-	7,015,000	-
OPWC/OWPCLF loans	294,480	6,599,206	327,641	6,868,345
Leases payable	222,324	2,132	343,757	3,640
Total	$ 11,831,804	$ 6,601,338	$ 12,891,398	$ 6,871,985

See Note 13 to the basic financial statements for additional disclosures and detail regarding the County's debt activity.

Economic Factors and Next Year's Budgets and Rates

The County's current estimated population is 58,667.

The County's unemployment rate is currently 3.3%, compared to the 3.2% state average and the 3.1% national average.

These economic factors were considered in preparing the County's budget for 2022 and 2023. The County's financial position should remain steady in future years.

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 financial information, contact Honorable Jerri A. Miller, Sandusky County Auditor, 100 North Park Avenue, Fremont, Ohio 43420-2472.

This page intentionally left blank.

SANDUSKY COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Sandusky County Land Reutilization Corporation	Sandusky County Airport Authority
Assets:					
Equity in pooled cash and investments	$ 49,691,254	$ 813,218	$ 50,504,472	$ 138,617	$ 497,017
Cash and cash equivalents with fiscal agents	5,289,069	-	5,289,069	-	-
Cash in segregated accounts	25,289	105	25,394	-	-
Receivables (net of allowance for uncollectibles):					
Sales taxes	3,603,967	-	3,603,967	-	-
Real estate and other taxes	20,105,965	-	20,105,965	-	-
Accounts	699,201	207,031	906,232	20	6,744
Special assessments	392,787	13,097	405,884	-	-
Accrued interest	197,527	-	197,527	-	-
Due from other governments	6,459,044	-	6,459,044	196,168	63,381
Loans	30,014	-	30,014	-	-
Leases	723,947	-	723,947		
Prepayments	473,000	1,896	474,896	653	6,247
Materials and supplies inventory	613,802	-	613,802	-	53,594
Net pension asset	424,086	5,986	430,072	-	-
Net OPEB asset	4,402,870	61,125	4,463,995	-	-
Investment in joint ventures	6,232,231	-	6,232,231	-	-
Capital assets:					
Non-depreciable/amortized capital assets	2,654,305	71,465	2,725,770	-	1,736,655
Depreciable/amortized capital assets, net	49,486,059	11,794,417	61,280,476	21,856	2,417,353
Total capital assets, net	52,140,364	11,865,882	64,006,246	21,856	4,154,008
Total assets	151,504,417	12,968,340	164,472,757	357,314	4,780,991
Deferred outflows of resources:					
Pension	6,990,246	110,470	7,100,716	-	111,441
OPEB	103,108	7,697	110,805	-	-
Total deferred outflows of resources	7,093,354	118,167	7,211,521	-	111,441
Liabilities:					
Accounts payable	1,584,207	25,518	1,609,725	72,288	59,242
Contracts payable	73,115	-	73,115	-	-
Accrued wages and benefits payable	519,198	6,309	525,507	-	9,728
Due to other governments	929,447	53,929	983,376	-	-
Accrued interest payable	24,103	-	24,103	55	-
Payroll withholding payable	528,791	-	528,791	-	-
Unearned revenue	3,693,425	-	3,693,425	-	-
Long-term liabilities:					
Due within one year	2,594,255	322,570	2,916,825	10,628	-
Due in more than one year:					
Net pension liability	12,985,337	174,551	13,159,888	-	-
Other long-term liabilities	11,624,363	6,311,824	17,936,187	11,499	-
Total liabilities	34,556,241	6,894,701	41,450,942	94,470	68,970
Deferred inflows of resources:					
Property taxes levied for the next year	13,737,364	-	13,737,364	-	-
Leases	714,031	-	714,031		
Pension	15,299,576	213,385	15,512,961	-	-
OPEB	4,537,045	63,157	4,600,202	-	-
Total deferred inflows of resources	34,288,016	276,542	34,564,558	-	-
Net position:					
Net investment in capital assets	41,241,069	5,264,544	46,505,613	(271)	4,154,008
Restricted for:					
Debt service	243,537	-	243,537	-	-
Capital projects	24,665	-	24,665	-	410,058
Public works projects	5,996,755	-	5,996,755	-	-
Public safety programs	6,078,628	-	6,078,628	-	-
Human services programs	22,535,970	-	22,535,970	-	-
Health programs	389,553	-	389,553	-	-
Other purposes	5,178,648	-	5,178,648	-	-
Unrestricted	8,064,689	650,720	8,715,409	263,115	259,396
Total net position	$ 89,753,514	$ 5,915,264	$ 95,668,778	$ 262,844	$ 4,823,462

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Current:				
General government:				
Legislative and executive	$ 13,055,861	$ 3,528,438	$ 1,802,722	$ 82,547
Judicial	4,462,815	1,438,592	1,794,698	-
Public safety	12,411,432	3,788,780	4,952,657	-
Public works	6,448,173	811,236	6,398,648	600,863
Health	462,232	411,534	26,519	-
Human services	20,941,689	145,866	13,035,596	-
Economic development and assistance	952,818	-	634,357	-
Intergovernmental	201,000	-	-	-
Other	6,062	-	-	-
Interest and fiscal charges	302,433	28,922	-	-
Total governmental activities	59,244,515	10,153,368	28,645,197	683,410
Business-type activities:				
Sanitary sewer	1,791,366	1,824,710	13,752	-
Totals primary government	$ 61,035,881	$ 11,978,078	$ 28,658,949	$ 683,410
Component unit:				
Sandusky County Transportation Improvement District	$ 23,493	$ -	$ -	$ 23,493
Sandusky County Land Reutilization Corporation	490,026	-	196,168	-
Sandusky County Airport Authority	698,107	407,115	1,439,118	-
	$ 1,211,626	$ 407,115	$ 1,635,286	$ 23,493

General revenues:
Property taxes levied for:
General fund
Human services - County Board of DD
Human services - Senior Citizens
Public safety 911 systems
Public safety - Drug Task Force
Sales taxes levied for:
General fund
Public safety - EMS
Grants and entitlements not restricted to specific programs
Investment earnings
Change in fair value of investments
Sale of assets
Land rent
Reimbursements
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Sandusky County Land Reutilization Corporation	Sandusky County Airport Authority
$ (7,642,154)	$ -	$ (7,642,154)	$ -	$ -
(1,229,525)	-	(1,229,525)	-	-
(3,669,995)	-	(3,669,995)	-	-
1,362,574	-	1,362,574	-	-
(24,179)	-	(24,179)	-	-
(7,760,227)	-	(7,760,227)	-	-
(318,461)	-	(318,461)	-	-
(201,000)	-	(201,000)	-	-
(6,062)	-	(6,062)	-	-
(273,511)	-	(273,511)	-	-
(19,762,540)	-	(19,762,540)	-	-
-	47,096	47,096	-	-
(19,762,540)	47,096	(19,715,444)	-	-
-	-	-	-	-
-	-	-	(293,858)	-
-	-	-	-	1,148,126
-	-	-	(293,858)	1,148,126
4,537,587	-	4,537,587	-	-
8,876,593	-	8,876,593	-	-
1,653,615	-	1,653,615	-	-
388,701	-	388,701	-	-
905,637	-	905,637	-	-
11,801,830	-	11,801,830	-	-
2,349,448	-	2,349,448	-	-
3,306,701	-	3,306,701	144,273	-
970,239	9,750	979,989	-	-
(2,294,315)	-	(2,294,315)	-	-
-	-	-	63,824	-
-	-	-	-	93,397
-	-	-	-	32,501
2,745,310	24,192	2,769,502	120	29,981
35,241,346	33,942	35,275,288	208,217	155,879
15,478,806	81,038	15,559,844	(85,641)	1,304,005
74,274,708	5,834,226	80,108,934	348,485	3,519,457
$ 89,753,514	$ 5,915,264	$ 95,668,778	$ 262,844	$ 4,823,462

SANDUSKY COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	American Rescue Plan	County Board of DD	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 8,963,905	$ 4,081,545	$ 13,049,870	$ 23,586,921	$ 49,682,241
Cash and cash equivalents with fiscal agents	-	-	5,169,303	119,766	5,289,069
Cash in segregated accounts	19,051	-	-	6,238	25,289
Receivables (net of allowance for uncollectibles):					
Sales taxes	3,003,420	-	-	600,547	3,603,967
Real estate and other taxes	5,295,081	-	11,120,851	3,690,033	20,105,965
Accounts	245,659	-	-	453,542	699,201
Special assessments	-	-	-	392,787	392,787
Accrued interest	179,723	-	11,664	6,140	197,527
Due from other governments	1,270,020	-	547,795	4,614,134	6,431,949
Loans	-	-	-	30,014	30,014
Leases	19,868	-	-	704,079	723,947
Interfund loans	10,000	-	-	-	10,000
Prepayments	141,583	-	1,179	132,859	275,621
Materials and supplies inventory	177,649	-	11,069	425,084	613,802
Loans due from other funds	10,000	-	-	-	10,000
Total assets	$ 19,335,959	$ 4,081,545	$ 29,911,731	$ 34,762,144	$ 88,091,379
Liabilities:					
Accounts payable	$ 387,335	$ 388,120	$ 184,374	$ 624,378	$ 1,584,207
Contracts payable	48,450	-	-	24,665	73,115
Accrued wages and benefits payable	227,181	-	80,360	211,657	519,198
Due to other governments	551,549	-	61,646	316,252	929,447
Interfund loans payable	-	-	-	10,000	10,000
Unearned revenue	-	3,693,425	-	-	3,693,425
Loans from other funds	-	-	-	10,000	10,000
Payroll withholding payable	513,364	-	8,173	7,254	528,791
Total liabilities	1,727,879	4,081,545	334,553	1,204,206	7,348,183
Deferred inflows of resources:					
Property taxes levied for the next year	3,608,356	-	7,605,433	2,523,575	13,737,364
Delinquent property tax revenue not available	1,667,871	-	3,515,418	1,166,458	6,349,747
Accrued interest not available	83,768	-	4,500	-	88,268
Sales tax revenue not available	1,139,441	-	-	227,872	1,367,313
Special assessments revenue not available	-	-	-	392,787	392,787
Other nonexchange transactions	779,466	-	396,987	1,920,790	3,097,243
Unavailable grant revenue	-	-	-	917,190	917,190
Miscellaneous revenue not available	-	-	-	144,071	144,071
Leases	19,661	-	-	694,370	714,031
Total deferred inflows of resources	7,298,563	-	11,522,338	7,987,113	26,808,014
Fund balances:					
Nonspendable	878,449	-	12,248	557,943	1,448,640
Restricted	221,028	-	18,042,592	23,906,740	42,170,360
Committed	306,032	-	-	1,115,958	1,421,990
Assigned	1,712,626	-	-	-	1,712,626
Unassigned (deficit)	7,191,382	-	-	(9,816)	7,181,566
Total fund balances	10,309,517	-	18,054,840	25,570,825	53,935,182
Total liabilities, deferred inflows of resources and fund balances	$ 19,335,959	$ 4,081,545	$ 29,911,731	$ 34,762,144	$ 88,091,379

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		$ 53,935,182
Amounts reported for governmental activities on 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.		52,140,364
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Real and other taxes receivable	$ 6,349,747	
Sales taxes receivable	1,367,313	
Special assessments receivable	392,787	
Accrued interest receivable	88,268	
Charges for services revenues	144,071	
Intergovernmental revenues	4,014,433	
Total		12,356,619
The investments in joint ventures by governmental activities are not financial resources and therefore are not reported in fund balance at year end.		6,232,231
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		233,487
On the statement of net position interest is accrued on outstanding bonds payable, whereas in the governmental funds, interest is accrued when due.		(24,103)
Unamortized premiums are amortized over the life of the bonds on the statement of net position.		(304,347)
Unamortized discounts are amortized over the life of the bonds on the statement of net position.		2,948
The net pension asset is not available to pay for the current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	6,990,246	
Deferred inflows of resources - pension	(15,299,576)	
Net pension asset	424,086	
Net pension liability	(12,985,337)	
Total		(20,870,581)
The net OPEB asset is not available to pay for the current period expenditures and the net OPEB liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	103,108	
Deferred inflows of resources - OPEB	(4,537,045)	
Net OPEB asset	4,402,870	
Total		(31,067)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Special obligation bonds	(4,640,000)	
General obligation bonds	(6,675,000)	
Lease payables	(222,324)	
Loans payable	(294,480)	
Compensated absences	(2,085,415)	
Total		(13,917,219)
Net position of governmental activities		$ 89,753,514

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	American Rescue Plan	County Board of DD	Other Governmental Funds	Total Governmental Funds
Revenues:					
Real estate and other taxes	$ 4,126,064	$ -	$ 8,018,336	$ 2,667,923	$ 14,812,323
Sales taxes	11,720,678	-	-	2,333,160	14,053,838
Charges for services	3,070,953	-	36,089	5,140,940	8,247,982
Licenses and permits	3,035	-	-	407,431	410,466
Fines and forfeitures	375,820	-	-	298,499	674,319
Intergovernmental	2,353,641	7,166,664	2,582,682	20,170,930	32,273,917
Special assessments	-	-	-	388,479	388,479
Investment income	942,688	-	12,606	71,332	1,026,626
Rental income	99,933	-	42,400	164,042	306,375
Contributions and donations	6,700	-	7,509	81,572	95,781
Refunds and reimbursements	2,342,341	-	-	392,164	2,734,505
Change in fair value of investments	(2,294,315)	-	-	-	(2,294,315)
Other	123,403	-	-	20,418	143,821
Total revenues	22,870,941	7,166,664	10,699,622	32,136,890	72,874,117
Expenditures:					
Current:					
General government:					
Legislative and executive	10,676,557	1,435,317	-	1,363,444	13,475,318
Judicial	2,503,469	1,269,895	-	1,111,179	4,884,543
Public safety	4,582,931	3,608,193	-	6,669,817	14,860,941
Public works	-	-	-	7,011,414	7,011,414
Health	105,526	-	-	363,584	469,110
Human services	497,428	160,814	9,625,789	11,938,537	22,222,568
Economic development and assistance	315,285	-	-	607,778	923,063
Other	-	-	-	6,062	6,062
Intergovernmental	201,000	-	-	-	201,000
Capital outlay	-	692,445	418,173	947,478	2,058,096
Debt service:					
Principal retirement	87,441	-	30,865	941,288	1,059,594
Interest and fiscal charges	8,678	-	5,399	312,220	326,297
Total expenditures	18,978,315	7,166,664	10,080,226	31,272,801	67,498,006
Excess of revenues over expenditures	3,892,626	-	619,396	864,089	5,376,111
Other financing sources (uses):					
Transfers in	250,000	-	-	2,122,190	2,372,190
Transfers (out)	(1,989,220)	-	-	(382,970)	(2,372,190)
Total other financing sources (uses)	(1,739,220)	-	-	1,739,220	-
Net change in fund balances	2,153,406	-	619,396	2,603,309	5,376,111
Fund balances at beginning of year	8,156,111	-	17,435,444	22,967,516	48,559,071
Fund balances at end of year	$ 10,309,517	$ -	$ 18,054,840	$ 25,570,825	$ 53,935,182

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY 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		$ 5,376,111
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeds depreciation/amortization expense in the current period.		
Capital asset additions	$ 3,071,392	
Current year depreciation/amortization	(3,492,262)	
Total		(420,870)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(340,596)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Real estate and other taxes	1,549,810	
Sales taxes	97,440	
Special assessments	(6,338)	
Interest	32,051	
Charges for services	80,311	
Intergovernmental	(183,636)	
Total		1,569,638
Increase in the value of investment in joint ventures that do not provide current financial resources are not reported in the funds.		279,566
Repayment of bond, loans and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,059,594
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	2,378	
Amortization of deferred amounts on refunding	(3,353)	
Amortization of bond premiums	25,438	
Amortization of bond discounts	(599)	
Total		23,864
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(81,627)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		3,478,140
OPEB		17,866
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		823,652
OPEB		3,679,830
The internal service fund used by management to charge the costs of workers compensation to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expenditure of the internal service fund is allocated among the governmental activities.		13,638
Change in net position of governmental activities		$ 15,478,806

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Real estate and other taxes	$ 3,643,376	$ 3,757,576	$ 3,757,517	$ (59)
Sales taxes	3,900,000	4,530,000	4,657,480	127,480
Charges for services	2,050,000	2,790,000	2,415,548	(374,452)
Licenses and permits	2,500	3,000	3,035	35
Fines and forfeitures	450,000	382,000	373,301	(8,699)
Intergovernmental	2,073,300	2,327,800	2,342,968	15,168
Investment income	380,000	707,277	888,581	181,304
Rental income	100,280	100,280	100,303	23
Refunds and reimbursements	1,850,000	2,401,000	2,483,537	82,537
Other	-	5,000	5,000	-
Total revenues	14,449,456	17,003,933	17,027,270	23,337
Expenditures:				
Current:				
General government:				
Legislative and executive	7,891,901	15,570,377	11,590,299	3,980,078
Judicial	3,945,344	4,080,888	3,844,439	236,449
Public safety	8,357,489	8,567,420	8,210,584	356,836
Health	213,952	181,802	124,680	57,122
Human services	773,625	744,625	659,704	84,921
Intergovernmental	201,300	201,300	201,000	300
Total expenditures	21,383,611	29,346,412	24,630,706	4,715,706
Excess of expenditures over revenues	(6,934,155)	(12,342,479)	(7,603,436)	4,739,043
Other financing sources (uses):				
Reimbursements	-	6,474,219	6,474,219	-
Transfers in	5,138,985	6,439,985	6,364,069	(75,916)
Transfers (out)	(789,884)	(864,286)	(840,384)	23,902
Advances in	20,000	20,000	60,000	40,000
Advances (out)	(10,000)	(60,500)	(60,000)	500
Total other financing sources (uses)	4,359,101	12,009,418	11,997,904	(11,514)
Net change in fund balance	(2,575,054)	(333,061)	4,394,468	4,727,529
Unencumbered fund balance at beginning of year.	1,475,494	1,475,494	1,475,494	-
Prior year encumbrances appropriated	452,138	452,138	452,138	-
Unencumbered fund balance (deficit) at end of year.	$ (647,422)	$ 1,594,571	$ 6,322,100	$ 4,727,529

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Intergovernmental	$ 5,683,218	$ 5,683,218	$ 5,683,218	$ -
Expenditures:				
Current:				
General government:				
Legislative and executive	-	2,216,973	1,435,317	781,656
Judicial	-	1,961,464	1,269,895	691,569
Public safety	-	5,573,172	3,608,193	1,964,979
Human services	-	248,391	160,814	87,577
Capital outlay	173,268	957,508	415,073	542,435
Total expenditures	173,268	10,957,508	6,889,292	4,068,216
Net change in fund balance	5,509,950	(5,274,290)	(1,206,074)	4,068,216
Unencumbered fund balance at beginning of year	5,101,022	5,101,022	5,101,022	-
Prior year encumbrances appropriated	173,268	173,268	173,268	-
Unencumbered fund balance at end of year	$ 10,784,240	$ -	$ 4,068,216	$ 4,068,216

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Real estate and other taxes	$ 7,702,978	$ 7,947,978	$ 7,986,466	$ 38,488
Charges for services	100,000	100,000	21,588	(78,412)
Intergovernmental	2,123,839	2,881,619	2,636,981	(244,638)
Rental income	30,000	30,000	42,400	12,400
Contributions and donations	10,500	10,500	7,509	(2,991)
Total revenues	9,967,317	10,970,097	10,694,944	(275,153)
Expenditures:				
Current:				
Human services	10,336,250	11,881,402	11,037,306	844,096
Capital outlay	202,090	432,090	419,320	12,770
Total expenditures	10,538,340	12,313,492	11,456,626	856,866
Excess of expenditures over revenues	(571,023)	(1,343,395)	(761,682)	581,713
Other financing sources (uses):				
Transfers in	4,288,000	-	-	-
Transfers (out)	-	(228,752)	-	228,752
Total other financing sources (uses)	4,288,000	(228,752)	-	228,752
Net change in fund balance	3,716,977	(1,572,147)	(761,682)	810,465
Unencumbered fund balance at beginning of year	12,814,464	12,814,464	12,814,464	-
Prior year encumbrances appropriated	286,383	286,383	286,383	-
Unencumbered fund balance at end of year	$ 16,817,824	$ 11,528,700	$ 12,339,165	$ 810,465

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	$ 813,218	$ 9,013
Cash in segregated accounts	105	-
Receivables (net of allowance for uncollectables):		
Accounts	207,031	-
Special assessments	13,097	-
Due from other governments	-	27,095
Prepayments	1,896	197,379
Total current assets	1,035,347	233,487
Noncurrent assets:		
Net pension asset	5,986	-
Net OPEB asset	61,125	-
Capital assets:		
Non-depreciable/amortized capital assets	71,465	-
Depreciable/amortized capital assets, net	11,794,417	-
Total capital assets, net	11,865,882	-
Total noncurrent assets	11,932,993	-
Total assets	12,968,340	233,487
Deferred outflows of resources:		
Pension	110,470	-
OPEB	7,697	-
Total deferred outflows of resources	118,167	-
Total assets and deferred outflows of resources	13,086,507	233,487
Liabilities:		
Current liabilities:		
Accounts payable	25,518	-
Accrued wages and benefits payable	6,309	-
Compensated absences payable	25,393	-
Due to other governments	53,929	-
OPWC loans payable	23,916	-
OWPC loans payable	271,675	-
Leases payable	1,586	-
Total current liabilities	408,326	-
Long-term liabilities:		
Compensated absences payable	7,663	-
OPWC loans payable	368,917	-
OWPC loans payable	5,934,698	-
Leases payable	546	-
Net pension liability	174,551	-
Total long-term liabilities	6,486,375	-
Total liabilities	6,894,701	-
Deferred inflows of resources:		
Pension	213,385	-
OPEB	63,157	-
Total deferred inflows of resources	276,542	-
Total liabilities and deferred inflows of resources	7,171,243	-
Net position:		
Net investment in capital assets	5,264,544	-
Unrestricted	650,720	233,487
Total net position	$ 5,915,264	$ 233,487

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services	$ 1,824,710	$ 200,966
Other	24,192	-
Total operating revenues	1,848,902	200,966
Operating expenses:		
Personal services	376,382	187,328
Contract services	726,584	-
Materials and supplies	46,312	-
Utilities	67,272	-
Depreciation/amortization	425,570	-
Other	22,272	-
Total operating expenses	1,664,392	187,328
Operating income	184,510	13,638
Nonoperating revenues (expenses):		
Interest and fiscal charges	(126,974)	-
Interest income	9,750	-
Intergovernmental	13,752	-
Total nonoperating revenues (expenses)	(103,472)	-
Change in net position	81,038	13,638
Net position at beginning of year	5,834,226	219,849
Net position at end of year	$ 5,915,264	$ 233,487

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Sanitary Sewer	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services	$ 1,786,299	$ 176,330
Cash received from other operating revenue	20,306	-
Cash payments for personal services	(463,295)	(328,453)
Cash payments for contractual services	(729,175)	-
Cash payments for materials and supplies	(53,264)	-
Cash payments for utilities	(68,144)	-
Cash payments for other expenses	(53,090)	-
Net cash provided (used) by operating activities	439,637	(152,123)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(105,327)	-
Principal payments on loans	(340,706)	-
Principal retirement on leases payable	(1,508)	-
Interest and fiscal charges	(126,974)	-
Intergovernmental	13,752	-
OWPCLF loan issuance	71,567	-
Net cash used in capital and related financing activities	(489,196)	-
Cash flows from investing activities:		
Interest received	9,750	-
Net decrease in cash and cash equivalents	(39,809)	(152,123)
Cash and cash equivalents at beginning of year	853,132	161,136
Cash and cash equivalents at end of year	$ 813,323	$ 9,013
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	$ 184,510	$ 13,638
Adjustments:		
Depreciation/amortization	425,570	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(44,555)	-
Decrease special assessments receivable	2,258	-
(Increase) in intergovernmental receivable	-	(24,636)
(Increase) in prepayments	(31)	(74,453)
(Increase) in net pension asset	(1,184)	-
(Increase) in net OPEB asset	(28,409)	-
(Increase) in deferred outflows - pension	(29,067)	-
Decrease in deferred outflows - OPEB	24,251	-
(Decrease) in accounts payable	(12,495)	-
(Decrease) in accrued wages and benefits	(994)	-
(Decrease) in intergovernmental payable	(29,108)	(66,672)
(Decrease) in compensated absences payable	(2,223)	-
(Decrease) in net pension liability	(103,041)	-
Increase deferred inflows - pension	92,002	-
(Decrease) deferred inflows - OPEB	(37,847)	-
Net cash provided (used) by operating activities	$ 439,637	$ (152,123)

During 2021, the sanitary sewer fund purchased capital assets on account in the amount of $19,801.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Investment Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents	$ 3,865,462	$ 10,600,045
Cash in segregated accounts	-	544,005
Receivables (net of allowances for uncollectibles):		
Taxes - current	-	100,634,948
Special assessments	-	829,934
Accounts	345,702	281,688
Due from other governments	1,264	3,392,906
Total assets	4,212,428	116,283,526
Liabilities:		
Accounts payable	95,272	459,770
Accrued wages and benefits	12,612	48,599
Compensated absences payable	-	8,827
Payroll withholding payable	-	2,628
Due to other governments	33,010	93,972
Total liabilities	140,894	613,796
Deferred inflows of resources:		
Property taxes levied for the next fiscal year	-	68,823,185
Net position:		
Restricted for individuals, organizations and other governments	$ 4,071,534	$ 46,846,545

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Investment Trust	Custodial
Additions:		
Intergovernmental	$ -	$ 3,686,861
Amounts received as fiscal agent	-	10,201,402
Licenses, permits and fees for other governments, organizations and individuals.	-	13,334,459
Fines and forfeitures for other governments, organizations and individuals.	-	2,480,797
Property tax collection for other governments	-	127,627,640
Special assessments collections for other governments	-	352,376
Earnings on investments	19,619	-
Change in FMV of investments	1,480	-
Other custodial fund collections	-	112,265
Share transactions:		
Purchase of units	2,124,697	-
Redemption of units	(1,767,724)	-
Net decrease in net position and shares resulting from share transactions	356,973	-
Total additions	378,072	157,795,800
Deductions:		
Distributions to the State of Ohio	-	10,148
Distributions of state and federal funds to other governments	-	3,482,555
Distributions as fiscal agent	-	8,697,244
Distributions to individuals	-	97,569
Licenses, permits and fees distributions to other governments, organizations and individuals.	-	13,399,960
Fines and forfeitures distributions to other governments, organizations and individuals.	-	2,420,120
Property tax distributions to other governments	-	120,406,935
Special assessment distributions to other governments	-	355,195
Total deductions	-	148,869,726
Net change in fiduciary net position	378,072	8,926,074
Net position beginning of year	3,693,462	37,920,471
Net position end of year	$ 4,071,534	$ 46,846,545

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE COUNTY

Sandusky County, Ohio (the County), was created in 1820. 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, and who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges and a Probate/Juvenile 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 primary government consists of all funds, component units, departments, boards and agencies that are not legally separate from the County. For Sandusky County, this includes the Sandusky County Board of Developmental Disabilities (DD); the Children Services Board; and other departments and activities that are directly operated by the elected County officials.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County’s accounting policies are described below.

A. Reporting Entity

The County’s reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The basic financial statements include all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14, GASB Statement No. 39 and GASB Statement No. 61 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of the PCU's Board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Based on the foregoing criteria, the financial activities of the following PCU’s have been reflected in the accompanying basic financial statements as follows:

COMPONENT UNITS

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

DISCRETELY PRESENTED COMPONENT UNIT

The component unit columns in the financial statements present the financial data of the County's discretely presented component units, the Sandusky Regional Airport Authority, the Sandusky County Transportation Improvement District, and Sandusky County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County.

Sandusky Regional Airport Authority - The constitution and laws of the State of Ohio establish the rights and privileges of the Sandusky Regional Airport Authority, Sandusky County, Ohio (the Authority), as a body corporate and politic. The Sandusky County Commissioners appoint five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Authority. The County Commissioners are responsible for the debt issued on behalf of the Authority. Due to the imposition of will exerted by the County Commissioners as well as the financial burden for the Authority, the Authority is presented separately as a component unit of the County. The Authority operates on a year ending December 31 and is presented on a cash basis of accounting. Separately issued financial statements can be obtained from Sandusky Regional Airport Authority, 2511 Countryside Drive, Suite D, Fremont Ohio 43420.

Sandusky County Transportation Improvement District - The Sandusky County Transportation Improvement District is a body corporate and politic established to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Sandusky County. The District was formed under the Ohio Revised Code Chapter 5544.02, by action of the Board of Sandusky County Commissioners on May 22, 2012. The resolution to create the District states the Board shall consist of seven members. The members shall be appointed as follows: five (5) members shall be appointed by the County Commissioners; one (1) nonvoting member appointed by the Speaker of the Ohio House of Representatives of the general assembly; and one (1) nonvoting member appointed by the President of the Senate of the general assembly. Separately issued financial statements can be obtained from the Sandusky County Transportation Improvement District, 622 Croghan Street, Fremont Ohio 43420.

Sandusky County Land Reutilization Corporation - The Sandusky County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on June 29, 2015 when the Sandusky County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Sandusky County (the County). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return 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 the 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 members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. Separately issued financial statements can be obtained from the Sandusky County Land Reutilization Corporation, 100 N. Park Ave. Suite 227, Fremont, Ohio 43420. The Corporation is a component unit of Sandusky County, Ohio.

POTENTIAL COMPONENT UNITS REPORTED AS CUSTODIAL FUNDS

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the following entities are presented as custodial funds within the financial statements:

Sandusky County Regional Planning Commission
Family and Children First Council
Sandusky County Park District
Sandusky County General Health District
Sandusky County Soil and Water Conservation District

The County is associated with certain organizations which are defined as joint ventures with equity interest, a shared risk pool, and an insurance purchasing pool and a related organization as follows:

JOINT VENTURES WITH EQUITY INTEREST

Ottawa, Sandusky, and Seneca County Solid Waste District

The Solid Waste District (the District) is a joint venture of Sandusky, Ottawa and Seneca Counties and is established under the authority of Section 3734.54 of the Ohio Revised Code. The cost of operations and expenses is to be funded by fees collected by the District. In the event that fees are not sufficient for the purpose, the counties shall share all operating costs and expenses incurred in the same proportions as the populations of the respective counties bear to the total population of all the counties.

Upon the withdrawal of a county from the District, the Board of Directors shall ascertain, apportion, and order a division of the funds on hand, credits and real and personal property of the District, either in money or in kind, on any equitable basis between the District and the withdrawing county. Should the District be dissolved, the Boards of County Commissioners shall continue to levy and collect taxes for the payment of any outstanding indebtedness. The District is governed by the three commissioners of each county involved.

The counties share in the equity of the District is based on relative percentages of population within the three counties. Based upon this calculation, Sandusky County's equity interest in the District is $1,479,511 at December 31, 2022. Financial information can be obtained from the Sandusky County Auditor, 100 North Park Avenue, Fremont, Ohio 43420-2472.

Sandusky County - Seneca County - City of Tiffin Port Authority

The Port Authority, a joint venture between Sandusky and Seneca Counties and the City of Tiffin, is established under the authority of Sections 4582.21 et. seq., of the Ohio Revised Code, with territorial limits co-terminus with the boundaries of the counties, with Tiffin being within the boundaries of Seneca County. The Port Authority is governed by a seven member Board of Directors, consisting of two members from each of the counties and the city, with the seventh member being rotated between the three entities every four years. The members are appointed by the County Commissioners in the counties, and by the Mayor of Tiffin in the city. Appointed members may hold no other public office or public employment except Notary Public, member of the State Militia, or member of a reserve component of the United States Armed Forces. Initial funding for organizational expenses, including purchase of real or personal property by the Port Authority, were contributed by each subdivision with no obligation of future contributions or financial support. The contributions were equal and simultaneous. The Port Authority may be dissolved at any time upon the enactment of an ordinance by the city and resolutions by the counties. Any real or personal property will be returned to the subdivision from which it was received.

Upon dissolution of the Port Authority, any balance remaining in the Port Authority's funds or any real or personal property belonging to the Port Authority will be distributed equally to the city and the counties after paying all expenses and debts. Sandusky County's equity interest in the Port Authority is $971,904 at December 31, 2022. Financial information can be obtained from the Sandusky County - Seneca County - City of Tiffin Port Authority, James Supance, Chairman, P.O. Box 767, Tiffin, Ohio 44883.

Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky, and Wyandot Counties

The Mental Health and Recovery Services Board (MHRS) is a joint venture between Seneca, Ottawa, Sandusky, and Wyandot Counties. The headquarters for MHRS is in Seneca County. MHRS provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the MHRS Board is made of 17 members; 9 of the members are appointed by the county commissioners of each respective county, 8 are appointed by the State Department of Mental Health and Addiction Services. Revenues to provide mental health services are generated through State and Federal grants. The MHRS Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits.

The counties share in the equity of the MHRS Board based on the percentages of population within the four counties. Sandusky County's equity interest in this joint venture at December 31, 2022 is $3,780,816.

Financial information can be obtained from the Seneca County Auditor, RTA Building, Tiffin, Ohio 44883.

JOINTLY GOVERNED ORGANIZATION

West Central Ohio Network

The West Central Ohio Network (WestCon) is a jointly governed organization among Auglaize, Champaign, Darke, Hardin, Logan, Mercer, Miami, Preble, Sandusky, Shelby, and Union counties. WestCon was created to serve as an administrator and fiscal agent of Supported Living funds for the Boards of Developmental Disabilities (DODD Boards) of each of the participating counties. The degree of control exercised by any participating government is limited to its representation on the Board of Directors (the Board) of WestCon. The Board consists of one delegate, who is the Superintendent, from each of the participating DODD Boards. Payments to WestCon are limited to the supported living funds of each participating county. During 2022, the County contributed $6,623,331 to WestCon.

Financial information can be obtained from Renee Place, Executive Director, 315 East Court Street, Sidney, Ohio 45365.

SHARED RISK POOL

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc., is a jointly governed organization among sixty-three counties and eighteen county facilities in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. The County paid $255,010 to CORSA during 2022.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

INSURANCE PURCHASING POOL

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group retro rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a county commissioner.

B. Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the enterprise fund financial statements, but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. 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 - Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. 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 financial statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 and deferred outflows of resources and 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 other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All enterprise funds and proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position.

The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its enterprise activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activity. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. 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. The following are the County's major governmental funds.

General fund - The General fund is used to account for and report all financial resources not accounted for and reported in another fund. The General fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

American Rescue Plan - This fund is used to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

County Board of Developmental Disabilities (DD) - This fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled. Revenue sources include a countywide property tax levy and federal and State grants.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

Proprietary funds are used to account for the County's ongoing activities, which are similar to those found in the private sector. Proprietary funds are classified as either enterprise or internal service.

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

Sanitary Sewer - This fund accounts for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of the County. The costs of providing these services are primarily financed through user charges. The sanitary sewer district has its own facilities and rate structure.

Internal Service fund - Internal service funds 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 accounts for a workers' compensation program for employees of the County.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Currently, the County does not have any pension trust funds or private-purpose trust funds. The County's custodial funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, COVID-19 grants, State-levied shared revenues, fines and forfeitures collected for and distributed to other political subdivisions, licenses, permits and fees collected and distributed to other political subdivisions and other amounts collected for and distributed to organizations or individuals. The County's investment trust fund accounts for monies held for Ottawa, Sandusky, and Seneca County Solid Waste District.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the full 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 year. For the County, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made. Revenue from property taxes is recognized in the fiscal year for which the 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 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 all other nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 7), 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 of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 15 and 16 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes 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 of resources 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. Unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 15 and 16 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expense/Expenditures - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgetary Data

All funds, other than custodial funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The County Auditor has waived the tax budget requirement. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department and object level.

The certificate of estimated resources may be amended during the year if projected increases or the County Auditor identifies decreases in revenue. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts are on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2022.

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. 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 basic financial statements.

During 2022, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, U.S. government money markets, U.S. treasury bills, U.S. treasury notes, negotiable and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

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

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

Under existing Ohio statutes all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General fund during 2022 amounted to $942,069 which includes $768,746 assigned from other County funds. The General fund also received $619 in interest revenue from lessor lease agreements.

The County has segregated bank accounts for monies held separately from the County's central bank account. These interest-bearing depository accounts are presented on the combined balance sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent the investments were purchased from a specific fund rather than the pool.

G. External Investment Pool

By statute, the County serves as fiscal agent for various legally separate entities. The County pools the monies of these entities with the County's for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The external investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of interest that it earns. The fair value of investments for both the internal and external investment pools is disclosed in Note 4, "Deposits and Investments".

Condensed financial information for the investment pool is as follows:

Statement of Net Position
December 31, 2022

Assets:	
Equity in pooled cash and cash equivalents	$ 64,969,979
Accrued interest receivable	195,989
Total	$ 65,165,968
Net position held in trust for participants:	
Internal portion	$ 61,300,506
External portion	3,865,462
Total	$ 65,165,968

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

Revenue:	
Operating revenues	$ 25,860
Net increase in assets resulting from operations	25,860
Distribution to pool participants	263,580
Capital transactions:	
Proceeds of investments sold	(60,351,708)
Purchase of investments	64,969,979
Total increase in net position	4,907,711
Net position, beginning of year	60,258,257
Net position, end of year	$ 65,165,968

H. Inventories of Materials and Supplies

On the government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Capital Assets

Governmental 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 funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are valued at acquisition cost. The County maintains a capitalization threshold of $5,000. The County's infrastructure consists of roads, bridges, culverts and sanitary sewers. 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 capitalized. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated/amortized except for land and construction in progress. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. Depreciation/amortization is computed using the straight-line method utilizing the half-year convention over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	15 - 30 years	15 - 30 years
Buildings and improvements	8 - 50 years	20 - 40 years
Furniture and equipment	5 - 15 years	10 - 20 years
Vehicles	8 - 15 years	8 - 15 years
Infrastructure	20 - 50 years	50 years
Intangible right to use:		
Leased equipment	5 years	5 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The County's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period.

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2022, the net interest expense incurred on proprietary fund construction projects was not material.

The County is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

J. Compensated Absences

Compensated absences of the County consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at December 31, 2022, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Sick leave benefits are accrued using the vesting method. The County records a liability for accumulated unused sick leave after fifteen years of service with the County or over fifty years of age.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2022 and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the accounts "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. 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.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance classification in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

L. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental column on the statement of net position. Loans between governmental funds and custodial funds are reported as "loans due from/to other funds" on the financial statements.

M. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients. Reported loans receivable is offset by a restricted for loans fund balance in the governmental special revenue fund types.

N. Accrued Liabilities and Long-term Obligations

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

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

O. Interfund Transactions

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

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivable/interfund payable" for the current portion of interfund loans. These amounts are eliminated in the statement of net position, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances."

P. 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 legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted nor 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 Board of Commissioners.

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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

Q. Operating Revenues and Expenses

Operating revenues are those that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the sewer and workers compensation programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and less deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

S. Bond Issuance Costs, Bond Premium/Discount and Accounting Loss

On government-wide financial statements and in the enterprise funds, issuance costs are expensed during the year in which they incurred.

Bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position in the government-wide financial statements and enterprise funds.

The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.

T. Estimates

The preparation of basic financial statements in conformity with GAAP 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.

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension/OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County administration and that are either unusual in nature or infrequent in occurrence. The County had no extraordinary or special items during 2022.

W. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2022, the County has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the County's 2022 financial statements. The County recognized $790,118 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. In addition, the County reported capital lease obligations at December 31, 2021, that have been reclassified as notes payable obligations at January 1, 2022. Any capital assets – furniture and equipment associated with capital lease obligations at December 31, 2022 have been reclassified as capital assets – intangible right to use – leased equipment at January 1, 2022.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the County.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the County.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the County.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the County.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the County.

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
NBI Grant Sheriff	$ 1,389
Work Release Earning	8,427

The General fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - 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 demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

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

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

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in items (1) or (2) above or cash or both securities and cash, equal value for equal value; and,

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

Protection of the 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives 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 purchase 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 County Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year end, the County had $2,100 in undeposited cash on hand which is included on the financial statements of the County as part of "equity in pooled cash and investments".

B. Cash in Segregated Accounts

At year end, $1,022,500 was on deposit in segregated accounts used by various County departments and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the financial statements as "equity in pooled cash and investments". The carrying value of these deposits was $569,424 at December 31, 2022.

C. Cash and Cash Equivalents with Fiscal Agents

At year end, the County had $5,289,069 in monies held by a fiscal agent. $119,766 was set aside for future debt service and $5,169,303 was held by WestCon for the County's Board of Developmental Disabilities. These amounts have been excluded from the total deposits and investments below as they are not part of the County's internal investment pool.

These amounts have been included on the financial statements of the County as "cash and cash equivalents with fiscal agents.

D. Deposits with Financial Institutions

At December 31, 2022, the carrying amount of all County deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was $19,744,578. The County's bank balance of all County deposits was $20,416,237. Of the bank balance, $561,884 was covered by the FDIC and $19,854,353 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the County's 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 (2) participation in the 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. For 2022, the County's financial institutions had a 102 percent collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

E. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
Negotiable CD's	$ 4,971,136	$ 1,215,273	$ 1,185,299	$ 941,151	$ 1,183,322	$ 446,091
U.S. Government money market	25,234	25,234	-	-	-	-
U.S. Treasury bills	9,161,151	9,161,151	-	-	-	-
U.S. Treasury notes	11,270,678	3,423,891	1,952,538	2,338,922	480,470	3,074,857
FHLB	10,056,776	494,430	232,498	487,325	2,535,312	6,307,211
FNMA	3,201,998	-	717,600	-	-	2,484,398
FHLMC	1,382,890	-	-	-	932,540	450,350
FFCB	4,105,677	499,515	-	469,025	231,380	2,905,757
Amortized cost:						
STAR Ohio	1,617,160	1,617,160	-	-	-	-
Total	$ 45,792,700	$ 16,436,654	$ 4,087,935	$ 4,236,423	$ 5,363,024	$ 15,668,664

The weighted average maturity of investments is 1.53 years.

The County investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The County's investments in U.S. Treasury bills, U.S. Treasury notes, negotiable CD's and federal agency securities (FHLB, FNMA, FHLMC, FFCB) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The County's investments, except for negotiable certificates of deposit and U.S. Government money market, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable certificates of deposit and the U.S. Government money market are covered by FDIC and are not rated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the County Treasurer or qualified trustee.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer.

The following table includes the percentage of each investment type held by the County at December 31, 2022:

Measurement/ Investment type	Measurement Value	% to Total
Fair value:		
Negotiable CD's	$ 4,971,136	10.86
U.S. Government money market	25,234	0.06
U.S. Treasury bills	9,161,151	20.01
U.S. Treasury notes	11,270,678	24.60
FHLB	10,056,776	21.96
FNMA	3,201,998	6.99
FHLMC	1,382,890	3.02
FFCB	4,105,677	8.97
Amortized cost:		
STAR Ohio	1,617,160	3.53
Total	$ 45,792,700	100.00

F. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 19,175,154
Investments	45,792,700
Cash in segregated accounts	569,424
Cash and investments with fiscal agent	5,289,069
Cash on hand	2,100
Total	$ 70,828,447
Cash and investments per statement of net position	
Governmental activities	$ 55,005,612
Business-type activities	813,323
Investment trust	3,865,462
Custodial funds	11,144,050
Total	$ 70,828,447

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund financial statements:

Transfer to nonmajor governmental funds from:	Amount
General fund	$ 1,989,220
Nonmajor governmental funds	132,970
Transfer to General fund from:	
Nonmajor governmental fund	250,000
Total	$ 2,372,190

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All other transfers complied with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Amounts due to/from other funds consisted of the following at December 31, 2022, as reported on the fund financial statements:

Due from	Due to	Amount
Nonmajor governmental funds	General fund	$ 10,000

Amounts due to/from other funds between governmental funds are eliminated for reporting on the statement of net position. Amounts due to/from other funds between governmental funds and enterprise funds are reported as a component of internal balance on the statement of net position.

C. Interfund loans payable/receivable consisted of the following at December 31, 2022:

Receivable funds	Payable funds	Amount
General fund	Nonmajor governmental funds	$ 10,000

The interfund loan balances result from resources provided by the receivable fund to the payable fund to provide cash flow resources until anticipated revenues are received. Interfund loans payable/receivable between governmental funds are eliminated on the government-wide financial statements. Interfund loans payable/receivable between governmental and enterprise funds are shown as an internal balance on the statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value 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 revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal 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 preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2022 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all County operations, excluding 911 operations, for the year ended December 31, 2022 was $9.80 per $1,000 of assessed value. The full tax rate for the County 911 operations, excluding the City of Bellevue and the Village of Green Springs, for the year ended December 31, 2022 was $0.30 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:

Real property	
Residential/agricultural	$ 1,084,098,370
Commercial/industrial/mineral	232,501,600
Public utility	
Real	672,530
Personal	372,159,020
Total assessed value	$ 1,689,431,520

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1979, the County Commissioners, by resolution, imposed a 0.5 percent tax on all retail sales made in the County, except sales of motor vehicles. In 1989, the percentage increased to 1 percent. In 2005, an additional 0.25 percent tax was levied and earmarked solely for emergency medical services. In 2010, an additional 0.25 percent tax was levied for general operations. The tax included the storage, use, or consumption of tangible personal property in the County, including motor vehicles 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 Office of Budget and Management then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General fund and emergency management system fund, a nonmajor governmental fund. Amounts that are measurable and available at year end are accrued as revenue on the fund financial statements. Permissive sales and use tax revenue totaled $14,053,838 in 2022.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2022, consisted of taxes, accounts (billings for user charged services), interfund transactions related to charges for goods and services rendered, intergovernmental receivables arising from grants, entitlements and shared revenue, special assessments, accrued interest, loans and leases. All intergovernmental receivables have been classified as "due from other governments" on the financial statements. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Sales taxes	$ 3,603,967
Real estate and other taxes	20,105,965
Accounts	699,201
Special assessments	392,787
Accrued interest	197,527
Due from other governments	6,459,044
Loans	30,014
Leases	723,947
Business-type activities:	
Accounts	207,031
Special assessments	13,097

Receivables have been disaggregated on the financial statements. The only receivables not expected to be collected within the subsequent year are the special assessments, loans and leases, which are collected over the life of the assessment or duration of the agreements.

NOTE 9 - LOANS RECEIVABLE

The County, through the community development block grant program, makes low-interest or interest-free loans to small businesses in the County. The activity for these loans is accounted for in the revolving loan fund, a nonmajor governmental fund. The following is a summary of the changes in the loans receivable during 2022.

Loans receivable at 12/31/21	$ 30,014
Principal payments received in 2022	-
Loans receivable at 12/31/22	$ 30,014

NOTE 10 - LEASES RECEIVABLE

The County is reporting leases receivable of $723,947 in the General fund and the permanent improvement fund (a nonmajor governmental fund). For 2022, the County recognized lease revenue of $66,171, which is reported in rental income, and interest revenue of $19,218.

The County has entered into the following lease agreements as the lessor at varying years and terms as follows:

Lease Type	Commencement Date	Years	Lease End Date	Payment Method
Cell Tower Land Lease	2016	30	2046	Monthly
Office Space - 2000 Countyside Dr.	2018	10	2028	Monthly
Office Space - 2511 Countyside Dr.	2020	4	2024	Monthly
Building Rental - 1499 N River Rd.	2001	30	2031	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	$ 66,161	$ 17,691	$ 83,852
2024	67,867	15,984	83,851
2025	59,298	14,353	73,651
2026	62,182	12,809	74,991
2027	63,911	11,201	75,112
2028 - 2032	133,641	41,741	175,382
2033 - 2037	86,424	29,364	115,788
2038 - 2042	107,405	17,067	124,472
2043 - 2047	77,058	3,151	80,209
Total	$ 723,947	$ 163,361	$ 887,308

NOTE 11 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported capital assets for intangible right to use - leased equipment at January 1, 2022, which was reported in the furniture and equipment classification in the prior year. The capital asset activity for the year ended December 31, 2022 was as follows:

Governmental activities:	(Restated) Balance 1/1/2022	Additions	Deductions	Balance 12/31/2022
Capital asset not being depreciated/amortized:				
Land	$ 2,302,004	$ 46,600	$ -	$ 2,348,604
Construction in progress	8,531,226	305,701	(8,531,226)	305,701
Total capital assets not being depreciated/amortized	10,833,230	352,301	(8,531,226)	2,654,305
Capital assets, being depreciated/amortized:				
Land improvements	1,108,620	-	-	1,108,620
Buildings and improvements	28,266,779	6,886,646	-	35,153,425
Furniture and equipment	4,339,347	879,525	(86,605)	5,132,267
Vehicles	7,202,689	644,138	(362,832)	7,483,995
Infrastructure	49,208,097	2,840,008	(1,355,923)	50,692,182
Intangible right to use:				
Leased equipment	512,260	-	-	512,260
Total capital assets, being depreciated/amortized	90,637,792	11,250,317	(1,805,360)	100,082,749
Less: accumulated depreciation/amortization:				
Land improvements	(987,969)	(15,751)	-	(1,003,720)
Buildings and improvements	(16,966,390)	(976,613)	-	(17,943,003)
Furniture and equipment	(2,297,597)	(265,631)	70,238	(2,492,990)
Vehicles	(4,092,729)	(415,410)	254,385	(4,253,754)
Infrastructure	(23,984,366)	(1,716,403)	1,140,141	(24,560,628)
Intangible right to use:				
Leased equipment	(240,141)	(102,454)	-	(342,595)
Total accumulated depreciation/amortization	(48,569,192)	(3,492,262)	1,464,764	(50,596,690)
Total capital assets, being depreciated/amortized net	42,068,600	7,758,055	(340,596)	49,486,059
Governmental activities capital assets, net	$ 52,901,830	$ 8,110,356	$ (8,871,822)	$ 52,140,364

Business-type activities:	(Restated) Balance 1/1/2022	Additions	Deductions	Balance 12/31/2022
Capital asset not being depreciated/amortized:				
Land	$ 11,465	$ 60,000	$ -	$ 71,465
Construction in progress	2,970,543	51,765	(3,022,308)	-
Total capital assets not being depreciated/amortized	2,982,008	111,765	(3,022,308)	71,465
Capital assets, being depreciated/amortized:				
Land improvements	25,549	-	-	25,549
Buildings and improvements	1,382,086	33,761	-	1,415,847
Furniture and equipment	1,015,275	-	-	1,015,275
Vehicles	171,109	-	-	171,109
Infrastructure	15,439,486	2,962,308	-	18,401,794
Intangible right to use:				
Leased equipment	7,313	-	-	7,313
Total capital assets, being depreciated/amortized	18,040,818	2,996,069	-	21,036,887
Less: accumulated depreciation/amortization:				
Land improvements	(12,556)	(1,278)	-	(13,834)
Buildings and improvements	(411,955)	(55,815)	-	(467,770)
Furniture and equipment	(769,822)	(22,372)	-	(792,194)
Vehicles	(131,661)	(9,731)	-	(141,392)
Infrastructure	(7,487,249)	(334,911)	-	(7,822,160)
Intangible right to use:				
Leased equipment	(3,657)	(1,463)	-	(5,120)
Total accumulated depreciation/amortization	(8,816,900)	(425,570)	-	(9,242,470)
Total capital assets, being depreciated/amortized net	9,223,918	2,570,499	-	11,794,417
Business-type activities capital assets, net	$ 12,205,926	$ 2,682,264	$ (3,022,308)	$ 11,865,882

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Legislative and executive	$ 626,972
Judicial	380,576
Public safety	378,967
Public works	1,864,902
Health	57,023
Human services	183,822
Total depreciation/amortization expense - governmental	$ 3,492,262

Business-type activities:	
Sanitary sewer	$ 425,570

NOTE 12 - COMPENSATED ABSENCES

County employees earn vacation leave at varying rates ranging from two to five weeks per year. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. All accumulated, unused vacation time is paid upon separation from the County. Sick leave is accumulated at the rate of three weeks per year. Upon retirement, employees hired before August 12, 1982, are entitled to 100 percent of their accumulated sick leave up to a maximum of 260 days. Employees hired after August 12, 1982, are 55 years or older and have with seven years of service are entitled to 25 percent of their accumulated sick leave up to a maximum of 30 days.

NOTE 13 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the County has reported lease payable at January 1, 2022, which were reported in the prior year as capital lease obligations. Long-term obligation activity for the year ended December 31, 2022 consisted of the following:

Governmental activities:	Interest Rate	(Restated) Balance 1/1/2022	Additions	Reductions	Balance 12/31/22	Amount Due in One Year
Special obligation bonds:						
Series A refunding - 2012	1.50-2.50%	$ 165,000	$ -	$ (165,000)	$ -	$ -
Series B - 2012	1.375 - 3.25%	250,000	-	(40,000)	210,000	40,000
Series C - 2012	0.90 - 4.00%	740,000	-	(115,000)	625,000	115,000
Series - 2016	2.00 - 4.00%	4,050,000	-	(245,000)	3,805,000	250,000
Toal special obligation bonds		5,205,000	-	(565,000)	4,640,000	405,000
General obligation bonds:						
Building facilities improvement bonds, series 2019	2.00-4.00%	7,015,000	-	(340,000)	6,675,000	345,000
Ohio Public Works Commission loans (direct borrowing):						
Bridge project		85,273	-	(3,790)	81,483	3,790
CR 185 & TR 220 road improvement		54,687	-	(7,291)	47,396	7,292
County road 198 improvements		187,681	-	(22,080)	165,601	22,080
		327,641	-	(33,161)	294,480	33,162
Other long-term obligations:						
Compensated absences payable		2,003,788	1,680,034	(1,598,407)	2,085,415	1,701,191
Leases payable		343,757	-	(121,433)	222,324	109,902
Net pension liability		20,571,675	217,753	(7,804,091)	12,985,337	-
Total other long-term obligations		22,919,220	1,897,787	(9,523,931)	15,293,076	1,811,093
Total governmental obligations		$ 35,466,861	$ 1,897,787	$ (10,462,092)	26,902,556	$ 2,594,255
		Add: Unamortized premium on bond issue:			304,347	
		Less: Unamortized discount on bond issue:			(2,948)	
					$ 27,203,955	

Business-type activities:	(Restated) Balance 1/1/2022	Additions	Reductions	Balance 12/31/22	Amount Due in One Year
Ohio Water Pollution Control loan (direct borrowing):					
State Route 6 Sanitary Sewer	$ 208,663	$ -	$ (24,549)	$ 184,114	$ 24,548
Route 53 Area Sewers	3,778	-	(3,778)	-	-
Grandview Lift Station	358,553	-	(29,729)	328,824	30,586
Pump Station Improvements	178,456	-	(11,519)	166,937	11,940
Hayes Ave Sewer Replacement	862,001	-	(54,044)	807,957	55,848
Hayes Ave Sewer Phase 2	1,278,899	-	(77,128)	1,201,771	79,099
Lift Station and WWTP	800,301	-	(20,106)	780,195	20,715
White Star Park Sewer and Water Infrastructure	1,038,797	-	(47,707)	991,090	48,939
Wightman's Grove Sanitary Sewer and Treatment	1,712,742	71,567	(38,824)	1,745,485	-
Total OWPCLF loans	6,442,190	71,567	(307,384)	6,206,373	271,675
Ohio Public Works Commission loans (direct borrowing):					
Rice/Sandusky Sewer Improvements	9,405	-	(9,405)	-	-
Ireland Lift Station	127,500	-	(5,667)	121,833	5,666
E. State Street Sanitary Sewer Phase II - Timple Road	192,500	-	(13,750)	178,750	13,750
General Sewer District Rehabilitation	96,750	-	(4,500)	92,250	4,500
Total OPWC loans	426,155	-	(33,322)	392,833	23,916
Other long-term obligations:					
Leases payable	3,640	-	(1,508)	2,132	1,586
Net pension liability	277,592	-	(103,041)	174,551	-
Compensated absences payable	35,279	25,093	(27,316)	33,056	25,393
Total other long-term obligations	316,511	25,093	(131,865)	209,739	26,979
Total business-type obligations	$ 7,184,856	$ 96,660	$ (472,571)	$ 6,808,945	$ 322,570

On September 17, 2019, the County issued $7,660,000 in series 2019 general obligation County building and facilities improvement bonds to provide funds to pay costs of the construction, adding to, remodeling, renovating, rehabilitating, furnishing, equipping and otherwise improving buildings, facilities and structures for County offices and functions and improving and equipping sites for such buildings, facilities and structures.

The series 2019 general obligation bonds are comprised of $7,660,000 in serial bonds. The interest rate on the current interest bonds range from 2.000% to 4.000%. The bonds were issued for a twenty year period, with a final stated maturity date of December 1, 2039. The bonds are retired through the debt service fund (a nonmajor governmental fund). There were $656,923 in unspent bond proceeds as of December 31, 2022.

On August 11, 2016, the County issued $5,500,000 in series 2016 special obligation sales tax supported bonds to provide funds to pay costs of constructing, renovating, remodeling, furnishing, equipping, and otherwise improving County buildings, primarily the County Courthouse.

The series 2016 special obligation sales tax supported bonds are comprised of $5,500,000 in serial bonds. The interest rate on the current interest bonds range from 2.000% to 4.000%. The bonds were issued for a twenty year period, with a final stated maturity date of December 1, 2035. The bonds are retired through the debt service fund (a nonmajor governmental fund).

On June 27, 2012, the County issued $5,700,000 in series 2012 special obligation sales tax supported bonds. These bonds consisted of $3,475,000 in series 2012A special obligation sales tax supported refunding bonds to refund the series 2002 various purpose improvement and refunding bonds, $565,000 in series 2012B special obligation sales tax supported bonds for the juvenile detention center improvement project and $1,660,000 in series 2012C special obligation federally taxable sales tax supported bonds for the airport facilities and equipment acquisition project.

The series 2012A special obligation sales tax supported refunding issue is comprised of $2,990,000 in serial bonds and $485,000 in term bonds. The interest rate on the current interest bonds range from 1.500% to 3.000%. The bonds were issued for a seven year period, with a final stated maturity date of December 1, 2019 for the serial bonds. The interest rate on the term bond is 2.500% with a final stated maturity date of December 1, 2022. The bonds are retired through the debt service fund (a nonmajor governmental fund).

The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded general obligation bonds at December 31, 2022, is zero.

The series 2012B special obligation sales tax supported bonds for the juvenile detention center improvement project is comprised of term bonds in the amounts of $105,000, $210,000 and $250,000. The interest rates on the term bonds are 1.375%, 2.600% and 3.250%, respectively. The bonds have final stated maturity dates of December 1, 2015, December 1, 2021 and December 1, 2027, respectively. The bonds are retired through the debt service fund (a nonmajor governmental fund).

The series 2012C special obligation federally taxable sales tax supported bonds for the airport facilities and equipment acquisition project issue is comprised of $810,000 in serial bonds and $850,000 in term bonds. Any capital related purchases made from the proceeds of these bonds belong to the Sandusky Regional Airport Authority, a component unit of the County. The interest rate on the current interest bonds range from 0.900% to 2.950%. The bonds were issued for an eight year period, with a final stated maturity date of December 1, 2020 for the serial bonds. The interest rate on the term bond is 4.00% with a final stated maturity date of December 1, 2027. The bonds are retired through the debt service fund (a nonmajor governmental fund).

In prior years, the County entered into lease payable agreements for postage meters and copier equipment for the intangible right to use. The lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures in the budgetary statements.

Capital assets intangible right to use – leased equipment have been reported in the statement of net position in the amount of $519,573. This amount represents the present value of the minimum lease payments at the time of the lease inception. A corresponding liability was recorded in the statement of net position. Accumulated depreciation as of December 31, 2022 was $347,715, leaving a current book value of $171,858.

Intangible right to use – leased equipment with an outstanding lease payable balance of $25,100 at December 31, 2022 was acquired under the lease payable agreements have not been capitalized due to each item being under the capitalization threshold. During 2022, principal and interest payments totaled $122,941 and $14,564, respectively, paid by the General fund, the EMS fund (a nonmajor governmental fund), the County Board of DD fund, the Dog and Kennel fund (a nonmajor governmental fund) and the sewer fund. As of December 31, 2022, the liability for leases payable included in the long-term liabilities of governmental activities and business-type activities totaled $222,324 ($25,100 of which did not pertain to capital assets) and $2,132, respectively.

The County has entered into debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund sewer improvements and bridge/road improvements. The amounts due to the OPWC for the sewer loans are payable solely from operating revenues and the loans in the governmental activities are paid from the debt service fund (a nonmajor governmental fund). The loan agreements function similar to a line-of-credit agreement. At December 31, 2022, the County has outstanding borrowings of $687,313. The loan agreements require semi-annual payments based on the actual amount loaned. The OPWC loans are interest free.

OPWC loans are direct borrowings that have terms negotiated directly between the County and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the County is located to pay the amount of the default from funds that would otherwise be appropriated to the County from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The County entered into debt financing arrangements through the Ohio Water Pollution Control Loan Fund (OWPCLF) to fund sewer improvements. The amounts due to the OWPCLF are payable solely from operating revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2022, the County has outstanding borrowings of $6,206,373. The Wightman's Grove sanitary sewer and treatment project amortization schedule ($1,745,485) has not been completed at December 31, 2022 and is not included in the amortization schedule presented below. The loan agreements require semi-annual payments based on the actual amount loaned. The loans are payable from the sanitary sewer fund.

OWPCLF loans are direct borrowings that have terms negotiated directly between the City and the OWPCLF and are not offered for public sale. In the event of default, the OWPCLF may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, which, for the County, is primarily the General fund, County Board of DD fund, the motor vehicle and gas tax fund (a nonmajor governmental fund), the human services fund (a nonmajor governmental fund), and the sanitary sewer fund.

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 assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was $34,308,935 at December 31, 2022 and the unvoted legal debt margin was $10,467,462 at December 31, 2022.

The following is a summary of the County's future annual debt service principal and interest requirements for governmental activities long-term obligations:

	Special Obligations Bonds			General Obligations Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 405,000	$ 120,050	$ 525,050	$ 345,000	$ 169,187	$ 514,187
2024	415,000	109,150	524,150	350,000	155,388	505,388
2025	425,000	97,950	522,950	350,000	141,387	491,387
2026	440,000	86,450	526,450	355,000	130,888	485,888
2027	455,000	74,488	529,488	360,000	123,788	483,788
2028 - 2032	1,500,000	247,400	1,747,400	1,910,000	505,887	2,415,887
2033 - 2037	1,000,000	55,413	1,055,413	2,105,000	269,313	2,374,313
2038 - 2039	-	-	-	900,000	33,652	933,652
Total	$ 4,640,000	$ 790,901	$ 5,430,901	$ 6,675,000	$ 1,529,490	$ 8,204,490

	OPWC Loans			Leases Payable		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 33,162	$ -	$ 33,162	$ 109,902	$ 8,410	$ 118,312
2024	33,161	-	33,161	72,223	3,780	76,003
2025	33,162	-	33,162	39,462	941	40,403
2026	33,161	-	33,161	737	3	740
2027	33,162	-	33,162	-	-	-
2028 - 2032	85,087	-	85,087	-	-	-
2033 - 2037	18,950	-	18,950	-	-	-
2038 - 2042	18,950	-	18,950	-	-	-
2043 - 2044	5,685	-	5,685	-	-	-
Total	$ 294,480	$ -	$ 294,480	$ 222,324	$ 13,134	$ 235,458

The following is a summary of the County's future annual debt service requirements for business-type activities obligations:

	OPWC Loans			OWPCLF Loans		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 23,916	$ -	$ 23,916	$ 271,675	$ 119,875	$ 391,550
2024	23,917	-	23,917	278,770	112,781	391,551
2025	23,917	-	23,917	286,072	105,479	391,551
2026	23,917	-	23,917	293,586	97,965	391,551
2027	23,917	-	23,917	301,320	90,231	391,551
2028 - 2032	119,583	-	119,583	1,549,489	327,009	1,876,498
2033 - 2037	92,083	-	92,083	977,694	131,237	1,108,931
2038 - 2042	50,833	-	50,833	280,559	50,738	331,297
2043 - 2047	10,750	-	10,750	200,027	20,194	220,221
2048	-	-	-	21,696	326	22,022
Total	$ 392,833	$ -	$ 392,833	$ 4,460,888	$ 1,055,835	$ 5,516,723

	Leases Payable		
Year Ended	Principal	Interest	Total
2023	$ 1,586	$ 70	$ 1,656
2024	546	6	552
Total	$ 2,132	$ 76	$ 2,208

NOTE 14 - RISK MANAGEMENT

A. General Insurance

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 County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a $2,500 deductible. Coverages provided by CORSA are as follows:

Type of Coverage	Amount
General Liability (per occurrence)	$ 1,000,000
Law Enforcement Liability (per occurrence)	1,000,000
Automobile Liability and Physical Damage	
Liability (per occurrence)	1,000,000
Medical payments	
Per Person	5,000
Per Occurrence	50,000
Uninsured Motorist (per person)	250,000
Errors and Omissions	1,000,000
Excess Liability	7,000,000
Property	171,296,450
Equipment Breakdown	100,000,000
Crime Insurance:	
Faithful Performance	1,000,000

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 2). There has been no significant reduction in coverage from prior year and settled claims have not exceeded limits of coverage in the past three years. The County pays all elected officials' bonds in accordance with statute.

B. Health and Vision Insurance

The County provides comprehensive health and vision insurance coverage to its employees through a traditionally funded plan. The County purchases commercial health insurance coverage. The County pays 87% of the monthly premium while the employee pays 13%. The entire risk of loss transfers to the commercial insurance carrier. The County’s monthly premium requirement is as follows:

	Family Coverage	Single Coverage
CEBCO	$ 1,466.73	$ 556.43

C. Insurance Purchasing Pool

For 2022, the County participated in the County Commissioners Association of Ohio Workers’ Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 2). The Plan is intended to achieve lower workers’ compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers’ compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan’s executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan.

The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

D. Natural Gas

The County participates in the County Commissioners Association of Ohio Service Corporation National Gas Program (the Program), a natural gas cost savings pool. There are currently over 50 counties participating. The program allows additional counties and/or additional county facilities to join at any time. Approximate savings range from $0.50-$1.18 per metric cubic foot and this savings has been maintained since the inception of the program. The program is administered through Palmer Energy.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 liability/asset and the net OPEB liability/asset represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability/asset 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/asset 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. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit 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 due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 16 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual 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
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

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

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

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

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

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

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

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

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $3,494,191 for 2022. Of this amount, $315,891 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 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 Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The County's contractually required contribution to STRS was $62,400 for 2022. Of this amount, $18,081 is reported as due to other governments.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.158286%	0.134470%	0.094889%	0.003131%	
Proportion of the net pension liability/asset current measurement date	0.161323%	0.118280%	0.084112%	0.002780%	
Change in proportionate share	0.003037%	-0.016190%	-0.010777%	-0.000351%	
Proportionate share of the net pension liability	$ 12,541,818	$ -	$ -	$ 618,070	$ 13,159,888
Proportionate share of the net pension asset	-	(416,426)	(13,646)	-	(430,072)
Pension expense	(819,126)	(15,026)	(2,190)	20,030	(816,312)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 639,364	$ 2,583	$ 13,490	$ 7,912	$ 663,349
Net difference between projected and actual earnings on pension plan investments	-	-	-	21,507	21,507
Changes of assumptions	1,568,342	20,931	458	73,964	1,663,695
Changes in employer's proportionate percentage/ difference between employer contributions	1,219,102	-	-	6,293	1,225,395
Contributions subsequent to the measurement date	3,383,631	65,266	45,294	32,579	3,526,770
Total deferred outflows of resources	$ 6,810,439	$ 88,780	$ 59,242	$ 142,255	$ 7,100,716

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	$ 275,072	$ 46,572	$ -	$ 2,364	$ 324,008
Net difference between projected and actual earnings on pension plan investments	14,918,037	89,275	3,107	-	15,010,419
Changes of assumptions	-	-	-	55,674	55,674
Changes in employer's proportionate percentage/ difference between employer contributions	-	-	-	122,860	122,860
Total deferred inflows of resources	$ 15,193,109	$ 135,847	$ 3,107	$ 180,898	$ 15,512,961

$3,526,770 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/increase to the net pension liability/asset in the year ending December 31, 2023.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Year Ending December 31:					
2023	$ (1,052,902)	$ (27,367)	$ 1,356	$ (33,339)	$ (1,112,252)
2024	(4,832,454)	(37,827)	1,010	(43,274)	(4,912,545)
2025	(3,507,834)	(24,812)	1,217	(57,290)	(3,588,719)
2026	(2,373,111)	(18,341)	1,270	62,681	(2,327,501)
2027	-	(2,430)	1,675	-	(755)
Thereafter	-	(1,556)	4,313	-	2,757
Total	$ (11,766,301)	$ (112,333)	$ 10,841	$ (71,222)	$ (11,939,015)

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 actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

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

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

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

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 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	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/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 33,067,057	$ 12,541,818	$ (4,537,909)
Combined Plan	(310,730)	(416,426)	(498,859)
Member-Directed Plan	(12,025)	(13,646)	(15,032)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation compared with June 30, 2021 are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	8.50% at age 20 to 2.50% at age 65	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%	0.00%

For the June 30, 2022, actuarial valuation, post-retirement mortality rates for healthy retirees 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 the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

Asset Class	Target Allocation *	Long-Term Expected 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 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
** 10-year annualized geometric nominal returns include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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% 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 the rates described in Note 1. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments 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%, 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%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	$ 933,677	$ 618,070	$ 351,162

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 15 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement 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.

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA 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, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who 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 will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $18,118 for 2022. Of this amount, $1,638 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements elimination date was postponed indefinitely. 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For 2022, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

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

Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.155054%	0.003131%	
Proportion of the net OPEB liability/asset current measurement date	0.156926%	0.002780%	
Change in proportionate share	0.001872%	-0.000351%	
Proportionate share of the net OPEB asset	$ (4,392,003)	$ (71,992)	$ (4,463,995)
OPEB expense	(3,709,816)	(11,766)	(3,721,582)

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	$ -	$ 1,042	$ 1,042
Net difference between projected and actual earnings on OPEB plan investments	-	1,251	1,251
Changes of assumptions	-	3,067	3,067
Changes in employer's proportionate percentage/ difference between employer contributions	84,389	2,938	87,327
Contributions subsequent to the measurement date	18,118	-	18,118
Total deferred outflows of resources	$ 102,507	$ 8,298	$ 110,805

	OPERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 666,199	$ 10,811	$ 677,010
Net difference between projected and actual earnings on OPEB plan investments	2,093,799	-	2,093,799
Changes of assumptions	1,777,833	51,055	1,828,888
Changes in employer's proportionate percentage/ difference between employer contributions	1	504	505
Total deferred inflows of resources	$ 4,537,832	$ 62,370	$ 4,600,202

$18,118 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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

	OPERS	STRS	Total
Year Ending December 31:			
2023	$ (2,747,165)	$ (15,319)	$ (2,762,484)
2024	(948,090)	(15,066)	(963,156)
2025	(457,483)	(7,742)	(465,225)
2026	(300,705)	(3,286)	(303,991)
2027	-	(4,218)	(4,218)
Thereafter	-	(8,441)	(8,441)
Total	$ (4,453,443)	$ (54,072)	$ (4,507,515)

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. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

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

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the 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%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 2,582,910	$ 4,392,003	$ 5,893,577

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 1.00% lower or 1.00% higher than the current rate.

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	$ 4,439,464	$ 4,392,003	$ 4,335,699

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation, compared with June 30, 2021, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	8.50% at age 20 to 2.50% at age 65		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	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the actuarial valuation as of June 30, 2022, healthy mortality rates are based on 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 Healthy Annuitant Mortality Table, adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the actuarial valuation as of June 30, 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-year annualized geometric nominal returns include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, 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%) or one percentage point higher (8.00%) 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	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 66,554	$ 71,992	$ 76,649

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 74,673	$ 71,992	$ 68,607

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General fund, American Rescue Plan fund and County Board of DD fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	General	American Rescue Plan	County Board of DD
Budget basis	$ 4,394,468	$ (1,206,074)	$ (761,682)
Net adjustment for revenue accruals	(2,219,192)	1,483,446	4,678
Net adjustment for expenditure accruals	6,115,704	(290,701)	924,168
Net adjustment for other sources/uses	(6,474,219)	-	-
Funds budgeted elsewhere	(245,137)	-	-
Adjustment for encumbrances	581,782	13,329	452,232
GAAP basis	$ 2,153,406	$ -	$ 619,396

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. This includes the land reutilization corporation fund, accumulated sick leave fund, budget reserve fund, surplus fund, unclaimed monies fund, title administration fund, property tax foreclosure rotary fund, annexations fund, Sandusky County group medical benefit plan fund, detention center donations fund, family drug court donation fund, truancy supervision program donation fund, recorder equipment fund, sheriff donations fund, sheriff K9 unit donations fund, the Medicaid sales tax transition fund, County hotel lodging tax fund, fire insurance escrow fund, nexus escrow fund and the cash in segregated accounts fund to account for monies held in cash in segregated accounts with the Prosecutor, Sheriff and Engineer's departments.

NOTE 18 - FUND BALANCE

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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	County Board of DD	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	$ 177,649	$ 11,069	$ 425,084	$ 613,802
Prepaids	141,583	1,179	132,859	275,621
Long-term loans	10,000	-	-	10,000
Unclaimed monies	549,217	-	-	549,217
Total nonspendable	878,449	12,248	557,943	1,448,640
Restricted:				
Legislative and executive operations	-	-	1,596,779	1,596,779
Judicial	-	-	3,829,087	3,829,087
Public safety programs	182,838	-	7,523,484	7,706,322
Public works projects	-	-	4,761,493	4,761,493
Health programs	-	-	488,709	488,709
Human services programs	-	18,042,592	4,426,499	22,469,091
Economic development and assistance	38,190	-	345,605	383,795
Debt service	-	-	248,147	248,147
Loans	-	-	30,014	30,014
Capital projects	-	-	656,923	656,923
Total restricted	221,028	18,042,592	23,906,740	42,170,360
Committed:				
Legislative and executive operations	4,098	-	593	4,691
Judicial	-	-	589,736	589,736
Capital projects	-	-	525,629	525,629
Termination benefits	140	-	-	140
Medical benefits	301,794	-	-	301,794
Total committed	306,032	-	1,115,958	1,421,990
Assigned:				
Legislative and executive operations	140,032	-	-	140,032
Judicial	10,035	-	-	10,035
Public safety programs	23,564	-	-	23,564
Health programs	687	-	-	687
Human services programs	2,129	-	-	2,129
Subsequent year appropriations	1,536,179	-	-	1,536,179
Total assigned	1,712,626	-	-	1,712,626
Unassigned (deficit)	7,191,382	-	(9,816)	7,181,566
Total fund balances	$ 10,309,517	$ 18,054,840	$ 25,570,825	$ 53,935,182

NOTE 19 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 179,347
American rescue plan	11,673
County Board of DD	258,233
Other governmental	1,109,888
Total	$ 1,559,141

NOTE 20 - CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, no liability is anticipated in excess of insurance coverage.

Nexus Gas Transmission is in the process of appealing the generation pipeline public utility property tax valuation. As of the date of this report, the ruling had not been finalized. As a result, the impact of appeal on the fiscal year 2022 financial statements is not determinable, at this time.

NOTE 21 - TAX ABATEMENTS

As of December 31, 2022, the County provides tax abatements through two programs – Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA 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. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the Agreement) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The County has entered into the following Economic Zone (EZ) tax abatement agreements for the abatement of real property taxes:

- Agreement between the County, the City of Ballville and the City of Fremont
- Agreement between the County, the City of Sandusky and the City of Fremont
- Agreement between the County, Madison Township, the Village of Gibsonburg and Gibsonburg EVSD
- Agreement between the County, the City of Clyde, and Clyde EVSD

The EZ agreements were entered into by Commissioner Resolution between 2005-2020. The County's property taxes collections were reduced by $102,049 during 2022.

The County also incurs a reduction in property taxes by agreements entered into by other governments that reduce the County's taxes. The County's property taxes were reduced by the same programs mentioned above that were entered into by other governments. During 2022, the County's property tax revenues were reduced under agreements entered into by other governments as follows:

Government Entering	Tax Abatement Program		County
Into Agreement	CRA	Ezone	Taxes Abated
City of Bellevue	$ 110,795	$ -	$ 110,795
City of Fremont	44,456	37,897	82,353
Total	$ 155,251	$ 37,897	$ 193,148

NOTE 22 - SANDUSKY REGIONAL AIRPORT AUTHORITY

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Sandusky County Regional Airport Authority, Sandusky County, Ohio (the Authority) as a body corporate and politic. The Sandusky County Commissioners appoint five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of Sandusky County Regional Airport. The County Commissioners are responsible for debt issued on behalf of the Authority. Due to the imposition of will exerted by the County as well as the financial burden of the Authority, the Authority is reflected as a component unit of Sandusky County. The Authority operates on a year ending December 31.

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

Sandusky County (the County) is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organization are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, in defining the financial reporting entity. The County's primary government and basic financial statement include component units, which are defined as legally separate organization for which the County if 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 impose its will over the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; or (3) the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the County is obligated for the debt of the organization. The Authority is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Authority does not have any component units and does not include any organizations in its presentation.

B. Basis of Accounting

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

The Authority's basis financial statements consist of government-wide financial statement, including a Statement of Net Position and a Statement of Activities, and the fund financial statements which provide a more detail level of financial information.

C. Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. The statement of net position and the statement of activities display information about the Authority as a whole. The statements include the financial activities of the primary government, except for the fiduciary funds. These statements usually distinguish between those activities of the Authority that are governmental and those that are business-type. The Authority, however, does not have any business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Authority at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Authority'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 contribution 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 particular program. Revenues which are not classified as program revenues are presented as general revenues of the Authority, 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 Authority.

Fund Financial Statements – All government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and used (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 reconciliation with brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Fund Accounting

The Authority uses fund accounting to segregate cash and investments that are restricted to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together will all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement purposes, the Authority's funds are classified as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following are the Authority's major governmental funds:

General Fund – The General Fund reports all financial resources except those required to be accounted for in another fund.

Airport Improvement Program Grant Fund – This fund received federal money for design services for the runway rehabilitation project.

E. Cash and Cash Equivalents

The Authority maintains depository accounts. All funds of the Authority are maintained in these accounts. These interest-bearing deposits accounts are presented in the balance sheet as "Cash and Cash Equivalents." The Authority has no investments.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are record 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 it is consumed.

G. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies heal for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

H. Capital Assets

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the General 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 are stated at cost at the approximate fair value at the date of purchase. All capital assets in excess of $5,000 and all expenditures for repairs, maintenance, renewal and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight line basis. Expenditures for maintenance and repairs are expensed as incurred.

I. Accrued Liabilities and Long-term Obligations

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

J. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvement of those assets.

The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority applies restricted resources when an expense is incurred for purposes for with both restricted and unrestricted components of net position are available.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The Authority classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is 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 - Trustees can commit amounts via formal action (resolution). The Authority must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the General fund report all fund balances as assigned unless they are restricted or committed. In the General fund, assigned amounts represent intended uses established by the Board or an Authority official delegated that authority by resolution, or by State Statute.

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

The Authority 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.

L. Income Tax Status

The Authority is a not-for-profit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Authority is not a private foundation within the meaning of Section 509 (a). Contributions to the Authority are deductible per Section 170(b)(1)(A)(v1). Management is unaware of any actions or events that would jeopardize the Authority's tax status.

M. Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the Authority 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 the year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the authority on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

N. Deferred Outflows of Resources

In addition to assets, the government-wide statement of net position will 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.

O. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension/OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

P. Expense/Expenditures

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

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

Q. Estimates

The preparation of financial statement 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.

R. Equity in Pooled Deposits

At December 31, 2022, the carrying amount of all Authority deposits was $497,017. The Authority's bank balance of all Authority deposits was $503,896. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized through 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.

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover deposit or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute.

Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, 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 to a reduced rate by the Treasurer of State.

S. Receivables

Receivables at December 31, 2022 consisted of the amounts from accounts receivable and intergovernmental receivable. All receivables are considered collectible in full. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Accounts receivable	$ 6,744
Due from Other Governments	63,381

Receivables have been disaggregated on the face of the basis financial statements. All receivables are expected to be collected within the subsequent year.

T. Capital Assets

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

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Capital asset not being depreciated:				
Land	$ 863,291	$ -	$ -	$ 863,291
Construction in progress	-	873,364	-	873,364
Total capital assets not being depreciated:	863,291	873,364	-	1,736,655
Capital assets, being depreciated:				
Buildings	1,743,215	-	-	1,743,215
Improvements	4,914,956	44,148	-	4,959,104
Equipment	198,437	9,867	-	208,304
Total capital assets, being depreciated:	6,856,608	54,015	-	6,910,623
Less: accumulated depreciation:				
Buildings	(892,445)	(53,170)	-	(945,615)
Improvements	(3,246,501)	(147,730)	-	(3,394,231)
Equipment	(148,600)	(4,824)	-	(153,424)
Total accumulated depreciation	(4,287,546)	(205,724)	-	(4,493,270)
Total capital assets, being depreciated net	2,569,062	(151,709)	-	2,417,353
Capital assets, net	$ 3,432,353	$ 721,655	$ -	$ 4,154,008

U. Defined Benefit Pension Plan

Net Pension Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *transportation expense* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.
The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual 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
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

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

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

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

* This rate is determined by OPERS' Board and has no maximum rate e

** This employer health care rate is for the traditional and combined pla contribution for the member-directed plan is 4.00%.

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

The Authority's contractually required contribution for OPERS was $111,441 for 2022.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources (with the exception of deferred outflows of resources related to Authority contributions subsequent to the measurement date) and Deferred Inflows of Resources related to Pensions are not applicable to the Authority at December 31, 2022 due to the Authority not paying into OPERS during the measurement period. At December 31, 2022 the Authority reported deferred outflows of resources related to pensions from the following sources:

	OPERS - Traditional
Deferred outflows of resources	
Contributions subsequent to the measurement date	$ 111,441

$111,441 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the year 2022.

Net OPEB Liability/Asset

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *transportation expense* on both the accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement 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.

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA 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, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who 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 will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

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

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 actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

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

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

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

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 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	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/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

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

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

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

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

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:

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

V. Risk Management

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions

The Authority has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

Worker's Compensation

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

W. Contingent Liability

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

X. Related Party Transactions

Certain businesses whose employees are members of the Board of Directors receive some benefit from the Authority. Transactions between the Authority and the business happen at an arms-length transaction. These transactions are disclosed as related party transactions.

One member of the Board of Directors works for an institution that holds funds for the Authority which amounted to $503,896.

Y. Accountability and Compliance

Change in Accounting Principles

For 2022, the Authority has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 and GASB Implementation Guide 2019-3 did not have an effect on the financial statements of the Authority.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Authority.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Authority.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Authority.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Authority.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Authority.

NOTE 23 - SANDUSKY COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

A. Description of the Entity

The Sandusky County Transportation Improvement District, Sandusky County, Ohio (the District) is a body corporate and politic established to plan, construct and improve highways, roads, bridges, interchanges and accompanying capital improvements and developments throughout Sandusky County.

The District was formed under the Ohio Revised Code Chapter 5544.02, by action of the Board of Sandusky County Commissioners on May 22, 2012. The resolution to create the District states the Board shall consist of seven members. The members shall be appointed as follows: five (5) members shall be appointed by the County Commissioners; one (1) nonvoting member appointed by the Speaker of the Ohio House of Representatives of the general assembly; and one (1) nonvoting member appointed by the President of the Senate of the general assembly.

The Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds. The District's management believes these financial statements present all activities for which the District is financial accountable.

B. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2- 03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2- 03(D) permit.

C. Deposits and Investments

The Sandusky County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies all funds into the General Fund type, which accounts for and reports all financial resources not accounted for and reported in another fund.

E. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is 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 - Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the General fund report all fund balances as assigned unless they are restricted or committed. In the General fund, assigned amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

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

The District 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.

F. Property, Plant and Equipment

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

G. Risk Management

The District has not obtained insurance and is uninsured for general liability insurance coverage.

H. Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 24 - SANDUSKY COUNTY LAND REUTILIZATION CORPORTATION

A. Description of the Entity

Sandusky County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on June 29, 2015 when the Sandusky County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Sandusky County (the County). The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon.

By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return 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 the 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 members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board.

The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units" and GASB Statement No.61, "The Financial Reporting Entity: Omnibus", the Corporation's primary government and basic financial statements include components units which are defined as legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and (1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Sandusky County, Ohio.

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.

B. 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 and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds.

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.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's General fund is its only governmental fund.

C. Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial statement presentation purposes, the Corporation's fund is classified as governmental.

Governmental Funds

Governmental funds focus 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 repaid.
The difference between governmental fund assets plus deferred outflows less liabilities plus deferred inflows is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund - The General fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies.

The General fund receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund. The General fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows, all liabilities and all deferred inflows associated with the operation 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.

Fund Financial Statements

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. The General fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

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 the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, intergovernmental revenue sources are considered to be both measurable and available at year-end.

Expenses/ Expenditures

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

F. Budget Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

G. Federal Income Tax

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

H. Cash and Cash Equivalents

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

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

I. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

J. Accrued Liabilities and Long-Term Obligations

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

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 fund.

K. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2022.

L. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated properties, the asset is reported at fair value which is based on the taxable land value as determined by the County Auditor.

The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition; parcels may be merged with adjacent parcels for development or green space projects; or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost. The Corporation had no assets held for resale at December 31, 2022.

M. Intergovernmental Revenue

The Corporation receives operating income through Sandusky County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation’s written request.

N. Fund Balance

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

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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, for example, inventories and prepaid amounts.

Restricted Fund Balance - The restricted classification is used 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 imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors remove or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance - Assigned fund balance includes amounts that are constrained by the Corporation's intent to be used for specific purposes, but are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors has by resolution authorized the Treasurer to assign fund balance.
The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

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

O. Estimates

The preparation of the basic financial statements in conformity with GAAP requirements 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.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2022.

Q. Accountability and Compliance / Change in Accounting Principles

For 2022, the Corporation has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the Corporation's 2022 financial statements. The Corporation recognized $32,522 in governmental activities in leases payable at January 1, 2022; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Corporation.

R. Deposits

At December 31, 2022, the carrying amount of all Corporation deposits was $138,617. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, all of the Corporation's bank balance of $187,991 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party.

The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's 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 (2) 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

S. Risk Management

Commercial General Liability and Products/ Completed Operations Liability

The Corporation 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 Corporation contracted with Huntington Insurance for General and Nonprofit Organization Directors and Officers Liability Insurance.

The limitations of coverages are as follows:

General Aggregate	$2,000,000
Products and Completed Operations Aggregate	Excluded
Personal and Advertising Liability	$1,000,000
Each Occurrence Limit	$1,000,000
Damage to Rented Premises – each occurrence	$100,000
Medical Expense – any one person	$5,000
Bodily Injury Liability and/or Property Damage Liability Deductible per claim	None
Nonprofit Organization D&O	$1,000,000
Investigative Costs Sublimit	$100,000
Excess Benefits Transaction Sublimit	$20,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

T. Capital Assets

Due to the implementation of GASB Statement No. 87, the Corporation has reported capital assets for the right to use leased equipment and leased buildings which are reflected in the schedule below. A summary of the Corporation's capital assets at December 31, 2022, follows.

	Restated Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
Capital assets, being amortized				
Intangible right to use:				
Leased building	$ 29,302	$ -	$ -	$ 29,302
Leased equipment	3,220	-	-	3,220
Total capital assets, being amortized	32,522	-	-	32,522
Less: accumulated amortization				
Intangible right to use:				
Leased building	-	(9,767)	-	(9,767)
Leased equipment	-	(899)	-	(899)
Total accumulated amortization	-	(10,666)	-	(10,666)
Net capital assets	$ 32,522	$ (10,666)	$ -	$ 21,856

Amortization expense was charged to governmental functions as follows:

Office costs	$ 10,666

U. Long-term Obligations

Due to the implementation of GASB Statement No. 87, the Corporation has reported obligations for leases payable which are reflected in the schedule below. Changes in the Corporation's long-term obligations during 2022 were as follows.

	Restated Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Leases payable	$ 32,522	$ -	$ (10,395)	$ 22,127	$ 10,628

Lease payable - The Corporation has entered into a lease agreement for the use of right to use equipment and a building. Due to the implementation of GASB Statement No. 87, the Corporation will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases.

The Council has entered into a lease agreement for copier equipment as follows:

Leases	Lease Commencement Date	Years	Lease End Date	Payment Method
Office space	2020	4	2024	Monthly
Copier	2020	5	2025	Monthly

The following is a schedule of future lease payments under the lease agreement:

Fiscal Year	Principal	Interest	Total
2023	$ 10,628	$ 518	$ 11,146
2024	10,951	195	11,146
2025	548	5	553
Total	$ 22,127	$ 718	$ 22,845

V. Transactions with Sandusky County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Sandusky County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Real Estate Tax Assessment and Collection (DRETAC) fund and will be available for appropriation by the Corporation to fund operations.

At December 31, 2022, the Corporation recognized revenues of $144,273 for these fees that were collected by the County in 2022.

W. Contingencies

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

X. Social Security

The Corporation's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Corporation contributed an amount equal to 6.2 percent of participants' gross salaries. The Corporation has paid all contributions required through December 31, 2022.

NOTE 25 - SUBSEQUENT EVENT

On August 4, 2022, the County entered into an agreement with the City of Fremont and the Fremont Development Corporation in which the County agrees to transfer County property to the Developer for the purchase price of $1,014,750 for the Developer to develop the land and turn he land into an industrial park. The Developer will repay the County Purchase Price through money generated by the sale of properties in the industrial park. The County's property was not transferred to the Developer until 2023.

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	2022	2021	2020	2019
Traditional Plan:				
County's proportion of the net pension liability	0.161323%	0.158286%	0.154633%	0.154149%
County's proportionate share of the net pension liability	$ 12,541,818	$ 20,448,950	$ 27,149,251	$ 37,951,354
County's covered payroll	$ 23,785,771	$ 24,853,271	$ 29,001,436	$ 28,257,021
County's proportionate share of the net pension liability as a percentage of its covered payroll	52.73%	82.28%	93.61%	134.31%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
Combined Plan:				
County's proportion of the net pension asset	0.118280%	0.134470%	0.145693%	0.175882%
County's proportionate share of the net pension asset	$ 416,426	$ 338,653	$ 269,860	$ 176,799
County's covered payroll	$ 470,157	$ 526,393	$ 345,007	$ 376,957
County's proportionate share of the net pension asset as a percentage of its covered payroll	88.57%	64.33%	78.22%	46.90%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
Member Directed Plan:				
County's proportion of the net pension asset	0.084112%	0.094889%	0.089817%	0.074463%
County's proportionate share of the net pension asset	$ 13,646	$ 15,091	$ 3,016	$ 1,525
County's covered payroll	$ 460,070	$ 506,220	$ 327,420	$ 278,240
County's proportionate share of the net pension asset as a percentage of its covered payroll	2.97%	2.98%	0.92%	0.55%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014	
	0.154478%		0.159932%		0.158775%		0.159801%		0.159801%
$	21,656,041	$	32,591,627	$	24,762,649	$	17,161,380	$	16,773,761
$	28,215,177	$	27,624,725	$	25,359,267	$	26,494,008	$	8,269,077
	76.75%		117.98%		97.65%		64.77%		202.85%
	84.66%		77.25%		81.08%		86.45%		86.36%
	0.190174%		0.169338%		0.162010%		0.146769%		0.146769%
$	231,342	$	84,578	$	70,986	$	50,316	$	13,713
$	372,600	$	370,650	$	241,400	$	247,050	$	117,969
	62.09%		22.82%		29.41%		20.37%		11.62%
	137.28%		116.55%		116.90%		114.83%		104.56%
	0.065678%		0.062311%		0.056803%		n/a		n/a
$	2,048	$	233	$	195		n/a		n/a
$	223,470	$	187,175	$	209,017		n/a		n/a
	0.92%		0.12%		0.09%		n/a		n/a
	124.46%		103.40%		103.91%		n/a		n/a

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE YEARS

	2022	**2021**	**2020**	**2019**
County's proportion of the net pension liability	0.002780%	0.003131%	0.003677%	0.003749%
County's proportionate share of the net pension liability	$ 618,070	$ 400,317	$ 889,776	$ 829,109
County's covered-employee payroll	$ 245,921	$ 435,236	$ 568,257	$ 601,300
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	251.33%	91.98%	156.58%	137.89%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.003691%	0.003482%	0.003191%	0.002561%	0.002720%
$ 811,660	$ 827,054	$ 1,068,281	$ 707,763	$ 661,562
$ 535,757	$ 494,321	$ 377,293	$ 378,450	$ 262,015
151.50%	167.31%	283.14%	187.02%	252.49%
77.30%	75.30%	66.80%	72.10%	74.70%

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2022	2021	2020	2019
Traditional Plan:				
Contractually required contribution	$ 3,383,631	$ 3,330,008	$ 3,479,458	$ 4,060,201
Contributions in relation to the contractually required contribution	(3,383,631)	(3,330,008)	(3,479,458)	(4,060,201)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 24,168,793	$ 23,785,771	$ 24,853,271	$ 29,001,436
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Combined Plan:				
Contractually required contribution	$ 65,266	$ 65,822	$ 73,695	$ 48,301
Contributions in relation to the contractually required contribution	(65,266)	(65,822)	(73,695)	(48,301)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 466,186	$ 470,157	$ 526,393	$ 345,007
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 45,294	$ 46,007	$ 50,622	$ 32,742
Contributions in relation to the contractually required contribution	(45,294)	(46,007)	(50,622)	(32,742)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 452,940	$ 460,070	$ 506,220	$ 327,420
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	3,955,983	$	3,667,973	$	3,314,967	$	3,043,112	$	3,179,281	$	1,074,980
	(3,955,983)		(3,667,973)		(3,314,967)		(3,043,112)		(3,179,281)		(1,074,980)
$	-	$	-	$	-	$	-	$	-	$	-
$	28,257,021	$	28,215,177	$	27,624,725	$	25,359,267	$	26,494,008	$	8,269,077
	14.00%		13.00%		12.00%		12.00%		12.00%		13.00%
$	52,774	$	48,438	$	44,478	$	28,968	$	29,646	$	15,336
	(52,774)		(48,438)		(44,478)		(28,968)		(29,646)		(15,336)
$	-	$	-	$	-	$	-	$	-	$	-
$	376,957	$	372,600	$	370,650	$	241,400	$	247,050	$	117,969
	14.00%		13.00%		12.00%		12.00%		12.00%		13.00%
$	27,824	$	22,347	$	22,461	$	25,082				
	(27,824)		(22,347)		(22,461)		(25,082)				
$	-	$	-	$	-	$	-				
$	278,240	$	223,470	$	187,175	$	209,017				
	10.00%		10.00%		12.00%		12.00%				

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 62,400	$ 34,429	$ 60,933	$ 79,556
Contributions in relation to the contractually required contribution	(62,400)	(34,429)	(60,933)	(79,556)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 445,714	$ 245,921	$ 435,236	$ 568,257
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 84,182	$ 75,006	$ 69,205	$ 52,821	$ 52,983	$ 34,062
(84,182)	(75,006)	(69,205)	(52,821)	(52,983)	(34,062)
$ -	$ -	$ -	$ -	$ -	$ -
$ 601,300	$ 535,757	$ 494,321	$ 377,293	$ 378,450	$ 262,015
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SIX YEARS

	2022	**2021**	**2020**	**2019**
County's proportion of the net OPEB liability/asset	0.156926%	0.155054%	0.151794%	0.151622%
County's proportionate share of the net OPEB liability/(asset)	$ (4,392,003)	$ (2,410,047)	$ 18,624,042	$ 17,770,019
County's covered payroll	$ 24,715,998	$ 25,885,884	$ 29,673,863	$ 28,912,218
County's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	17.77%	9.31%	62.76%	61.46%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017	
	0.151940%		0.155722%
$	14,744,011	$	14,114,710
$	28,811,247	$	28,182,550
	51.17%		50.08%
	54.14%		54.05%

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX YEARS

	2022	2021	2020	2019
County's proportion of the net OPEB liability	0.002780%	0.003131%	0.003677%	0.003749%
County's proportionate share of the net OPEB liability (asset)	$ (71,992)	$ (66,013)	$ (64,629)	$ (62,095)
County's covered-employee payroll	$ 245,921	$ 435,236	$ 568,257	$ 601,300
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	29.27%	15.17%	11.37%	10.33%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.13%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018		2017
	0.003691%		0.003482%
$	(59,000)	$	135,838
$	535,757	$	494,321
	11.01%		27.48%
	176.00%		47.10%

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 18,118	$ 18,403	$ 20,249	$ 13,096
Contributions in relation to the contractually required contribution	(18,118)	(18,403)	(20,249)	(13,096)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 25,087,919	$ 24,715,998	$ 25,885,884	$ 29,673,863
Contributions as a percentage of covered payroll	0.07%	0.07%	0.08%	0.04%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 11,130	$ 324,762	$ 625,287	$ 504,994	$ 190,464	$ 81,573
(11,130)	(324,762)	(625,287)	(504,994)	(190,464)	(81,573)
$ -	$ -	$ -	$ -	$ -	$ -
$ 28,912,218	$ 28,811,247	$ 28,182,550	$ 25,809,684	$ 26,741,058	$ 8,387,046
0.04%	1.13%	2.22%	1.96%	0.71%	0.97%

SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 445,714	$ 245,921	$ 435,236	$ 568,257
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	-	$	-	$	-	$	-	$	1,387	$	2,620
	-		-		-		-		(1,387)		(2,620)
$	-	$	-	$	-	$	-	$	-	$	-
$	601,300	$	535,757	$	494,321	$	377,293	$	378,450	$	262,015
	0.00%		0.00%		0.00%		1.00%		1.00%		1.00%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2022.

Changes in assumptions :

- There were no changes in assumptions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020-2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2016.
- For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017.
- There were no changes in benefit terms for 2018-2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in assumptions for 2018-2020.
- For 2021, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65 and (b) post-retirement mortality rates were changed from RP-2014 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant Mortality Tables.

(Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017-2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% to 3.16%, (b) the municipal bond rate was decreased from 3.71% to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- For 2017, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For 2018, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For 2019, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For 2020, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- For 2022, the non-Medicare subsidy percentage was increased from 2.100% to 2.200%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For 2018, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For 2019, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For 2021, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65, (b) post-retirement mortality rates were changed from RP-2014 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant Mortality Tables and (c) health care cost trend rates were changed to the following: medical pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate, Medicare -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate, Medicare 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

SANDUSKY COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
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-2223-11-6986	-	$ 394,714
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - COVID-19	10.561	G-2223-11-6986	-	16,453
Total SNAP Cluster			-	411,167
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
National School Lunch Program				
Cash Assistance - School of Hope	10.555	FY 2022	-	10,524
Pandemic EBT Administrative Costs - COVID-19	10.649	N/A	-	628
Total U.S. Department of Agriculture			**-**	**422,319**
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Ohio Development Services Agency				
Community Development Block Grants/ State's program and Non-Entitlement Grants in Hawaii				
Community Development Program	14.228	B-F-19-1CO-1	-	781
Community Development Program	14.228	B-F-21-1CO-1	-	78,850
Community Housing Impact and Preservation Program	14.228	B-C-19-1CO-1	-	198,273
Community Housing Impact and Preservation Program	14.228	B-C-21-1CO-1	-	54,071
Total AL #14.228			-	331,975
Home Investment Partnerships Program	14.239	B-C-19-1CO-2	-	282,550
Home Investment Partnerships Program	14.239	B-C-21-1CO-2	-	17,000
Total AL #14.239			-	299,550
Total U.S. Department of Housing and Urban Development			**-**	**631,525**
UNITED STATES DEPARTMENT OF JUSTICE				
Passed Through the Ohio Attorney General				
Crime Victim Assistance	16.575	2022-VOCA-134719293	-	22,491
Crime Victim Assistance	16.575	2023-VOCA-135109535	-	7,497
Total AL # 16.575			-	29,988
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JG-A01-6087	-	30,270
Total U.S. Department of Justice			**-**	**60,258**
UNITED STATES DEPARTMENT OF LABOR				
Passed Through the Montgomery County Workforce Investment Act (WIA) Area 7				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	2020/21-7172-1	-	23,222
Unemployment Insurance	17.225	2020/21-7172-1	-	68,419
Trade Adjustment Assistance	17.245	2020/21-7172-1	-	3,624
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	2020/21-7172-1	-	63,033
WIOA Cluster:				
WIOA Adult Programs	17.258	2020/21-7172-1	-	235,740
WIOA Youth Activities	17.259	2020/21-7172-1	-	137,716
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7172-1	-	106,794
Total WIOA Cluster			-	480,250
Total U.S. Department of Labor			**-**	**638,548**
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Passed Through County Engineers Association of Ohio				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	111020	-	231,541
Passed Through Ohio Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2022-00017	-	16,598
State and Community Highway Safety	20.600	STEP-2023-00050	-	3,576
Total Highway Safety Cluster			-	20,174
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2022-00017	-	13,864
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2023-00050	-	3,759
Total AL # 20.608			-	17,623
Total U.S. Department of Transportation			-	**269,338**

- - (Continued)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF TREASURY				
Passed through the Ohio Office of Budget and Management				
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	SLFRP2185	-	6,875,962
Passed Through Ohio Department of Emergency Management				
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	AFRR-462-HIR	-	59,379
Total U.S. Department of Treasury			**-**	**6,935,341**
UNITED STATES DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	FY 2022	-	17,806
Special Education Preschool Grants	84.173	FY 2022	-	5,245
Total Special Education Cluster			-	23,051
Passed Through Ohio Department of Developmental Disabilities				
Special Education-Grants for Infants and Families	84.181	H181A200024	-	20,523
Special Education-Grants for Infants and Families	84.181	H181A210024	-	23,909
Total AL # 84.181			-	44,432
Special Education-Grants for Infants and Families - COVID-19	84.181X	H181X210024	-	6,826
Total U.S. Department of Education			**-**	**74,309**
UNITED STATES ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State				
HAVA Election Security Grants	90.404	N/A	-	5,351
Total U.S. Election Assistance Commission			**-**	**5,351**
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Job and Family Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6986	-	13,889
Temporary Assistance for Needy Families	93.558	G-2223-11-6986	$ 25,000	1,175,548
Temporary Assistance for Needy Families - COVID-19	93.558	G-2223-11-6986	-	164,731
Total AL # 93.558			25,000	1,340,279
Child Support Enforcement	93.563	G-2223-11-6986	-	627,794
CCDF Cluster:				
Child Care and Development Block Grant	93.575	G-2223-11-6986	-	98,055
Foster Care Title IV-E	93.658	G-2223-11-6986	-	545,707
Adoption Assistance	93.659	G-2223-11-6986	-	624,461
Social Services Block Grant	93.667	G-2223-11-6986	-	435,274
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6986	-	15,656
Elder Abuse Prevention Interventions Program - COVID-19	93.747	G-2223-11-6986	4,822	22,795
Children's Health Insurance Program	93.767	G-2223-11-6986	-	23,021
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2223-11-6986	-	697,166
Passed Through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	2201OHSOSR	-	39,973
Total AL # 93.667			-	475,247
Passed Through Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2200059	-	106,247
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2300044	-	142,164
Total AL # 93.959			-	248,411
Total U.S. Department of Health and Human Services			**29,822**	**4,732,481**

- - (Continued)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SANDUSKY COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Department of Emergency Management				
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	-	29,746
Emergency Management Performance Grants-COVID-19	97.042	EMC-2021-EP-00007	-	18,295
Total AL # 97.042			-	48,041
Homeland Security Grant Program	97.067	EMW-2020-SS-00037-S01	-	2,750
Homeland Security Grant Program	97.067	EMW-2021-SS-00004	-	9,716
Total AL # 97.067			-	12,466
Total U.S. Department of Homeland Security			**-**	**60,507**
Total Expenditures of Federal Awards			**$ 29,822**	**$ 13,829,977**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

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

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

NOTE E – CHILD NUTRITION CLUSTER

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

NOTE F – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local revolving business loan, down payment or rehabilitation assistance, and owner occupied rehabilitation assistance local program income accounts as of December 31, 2022 is $116,633, $214,341, and $8,681, respectively.

NOTE G – 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 H – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2022, the County made allowable transfers of $258,749 from the Temporary Assistance for Needy Families (TANF) (AL #93.558) program to the Social Services Block Grant (SSBG) (AL #93.667) program. The Schedule shows the County spent approximately $1,340,279 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2022 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	$ 1,599,028
Transfer to Social Services Block Grant	(258,749)
Total Temporary Assistance for Needy Families	$ 1,340,279

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sandusky County, Ohio (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 25, 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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Sandusky County
100 North Park Avenue
Fremont, Ohio 43420-2472

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

This page intentionally left blank.

SANDUSKY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

SANDUSKY 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 9/28/2023

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