



OHIO AUDITOR OF STATE
KEITH FABER



**VAN WERT COUNTY
DECEMBER 31, 2022**

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VAN WERT COUNTY
DECEMBER 31, 2022

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INDEPENDENT AUDITOR’S REPORT

Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert 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 modified cash-basis financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, as of December 31, 2022, and the respective changes in modified cash-basis financial position and where applicable cash flows thereof and the respective budgetary comparison for the General, Motor Vehicle and Gas Tax, Thomas Edison and Brumback Library funds for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

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

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 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.



Robert R. Hinkle, CPA, CGFM
Chief Deputy Auditor
Columbus, Ohio

November 9, 2023

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Van Wert County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$22,281,026	\$335,336	\$22,616,362
Cash and Cash Equivalents in Segregated Account	218,841	-	218,841
Cash and Cash Equivalents with Escrow Agents	15,001	-	15,001
Investments in Segregated Accounts	687,799	-	687,799
Total Assets	23,202,667	335,336	23,538,003
Net Position			
Restricted for:			
Other Purposes	12,804,241	-	12,804,241
Debt Service	38,968	-	38,968
Capital Projects	10,500	-	10,500
Unrestricted	10,348,958	\$335,336	10,684,294
Total Net Position	\$23,202,667	\$335,336	\$23,538,003

See accompanying notes to the basic financial statements.

<u>Van Wert Land Reutilization Corporation</u>	<u>Van Wert County Port Authority</u>
-	\$133,318
\$476,876	-
-	-
<u>476,876</u>	<u>133,318</u>
-	-
-	-
-	-
476,876	133,318
<u>\$476,876</u>	<u>\$133,318</u>

Van Wert County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2022

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions and Interest
Governmental Activities			
General Government:			
Legislative and Executive	\$7,504,971	\$2,410,845	\$1,248,168
Judicial	1,750,598	362,673	334,254
Public Safety	5,437,762	562,152	568,766
Public Works	4,996,267	421,548	4,905,581
Health	2,981,736	83,544	417,235
Human Services	8,691,900	1,235,826	4,356,506
Economic Development and Assistance	1,739,588	496,136	1,411,780
Intergovernmental	168,440	-	-
Principal Retirement	629,751	-	-
Interest and Fiscal Charges	90,342	-	-
Total Governmental Activities	<u>33,991,355</u>	<u>5,572,724</u>	<u>13,242,290</u>
Business-Type Activity			
Recycling	656,283	734,836	-
Total Primary Government	<u>\$34,647,638</u>	<u>\$6,307,560</u>	<u>\$13,242,290</u>
Component Units			
Van Wert Land Retulization Corporation	\$286,483	\$27,480	\$465,791
Van Wert County Port Authority	149,077	131,667	-
Total Component Units	<u>\$435,560</u>	<u>\$159,147</u>	<u>\$465,791</u>

General Revenues

Property and Other Taxes Levied for:

 General Purposes

 Thomas Edison

 Other Purposes

County Permissive Motor Vehicle License Taxes Levied for Public Works

Permissive Sales Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Investment Earnings

Tax Increment Financing

Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activity	Total	Van Wert Land Reutilization Corporation	Van Wert County Port Authority
(\$3,845,958)	\$0	(\$3,845,958)	\$0	\$0
(1,053,671)	-	(1,053,671)	-	-
(4,306,844)	-	(4,306,844)	-	-
330,862	-	330,862	-	-
(2,480,957)	-	(2,480,957)	-	-
(3,099,568)	-	(3,099,568)	-	-
168,328	-	168,328	-	-
(168,440)	-	(168,440)	-	-
(629,751)	-	(629,751)	-	-
(90,342)	-	(90,342)	-	-
(15,176,341)	-	(15,176,341)	-	-
-	78,553	78,553	-	-
(15,176,341)	78,553	(15,097,788)	-	-
-	-	-	206,788	-
-	-	-	-	(17,410)
-	-	-	206,788	(17,410)
1,781,780	-	1,781,780	-	-
1,981,564	-	1,981,564	-	-
1,227,724	-	1,227,724	-	-
114,133	-	114,133	-	-
5,926,718	-	5,926,718	-	-
6,549,794	-	6,549,794	58,299	-
310,199	-	310,199	-	-
517,401	-	517,401	-	-
99,075	-	99,075	-	-
18,508,388	-	18,508,388	58,299	-
3,332,047	78,553	3,410,600	265,087	(17,410)
19,870,620	256,783	20,127,403	211,789	150,728
\$23,202,667	\$335,336	\$23,538,003	\$476,876	\$133,318

Van Wert County, Ohio
Balance Sheet - Modified Cash Basis
Governmental Funds
December 31, 2022

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$9,886,002	\$1,956,268	\$3,627,382	\$980,297	\$5,500,685	\$21,950,634
Cash and Cash Equivalents in Segregated Accounts	18,521	29,312	-	99,550	71,458	218,841
Cash and Cash Equivalents with Escrow Agent:	15,001	-	-	-	-	15,001
Investments in Segregated Accounts	-	-	-	687,799	-	687,799
Total Assets	\$9,919,524	\$1,985,580	\$3,627,382	\$1,767,646	\$5,572,143	\$22,872,275
Fund Balances						
Nonspendable	\$6,242	-	-	-	-	\$6,242
Restricted	-	\$1,985,580	\$3,627,382	\$1,767,646	5,466,859	12,847,467
Committed	-	-	-	-	105,284	105,284
Assigned	8,851,106	-	-	-	-	8,851,106
Unassigned	1,062,176	-	-	-	-	1,062,176
Total Fund Balances	\$9,919,524	\$1,985,580	\$3,627,382	\$1,767,646	\$5,572,143	\$22,872,275

See accompanying notes to the basic financial statements.

Van Wert County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Modified Cash Basis
December 31, 2022

Total Governmental Fund Balances	\$22,872,275
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Amounts reported for governmental activities in the statement of net position are different because:

An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.	<u>330,392</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$23,202,667</u></u>
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See accompanying notes to the basic financial statements

Van Wert County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$1,479,262	-	\$1,851,646	\$201,066	\$957,186	\$4,489,160
Permissive Sales Tax	5,926,718	-	-	-	-	5,926,718
Alternate Energy Tax	302,518	-	129,918	15,091	54,381	501,908
Permissive Motor Vehicle License Tax	-	\$114,133	-	-	-	114,133
Intergovernmental	3,949,570	4,885,582	886,165	1,044,648	6,256,242	17,022,207
Charges for Services	1,744,774	184,253	423,326	3,144	800,965	3,156,462
Licenses and Permits	1,421	-	-	-	88,277	89,698
Fines and Forfeitures	50,407	40,635	-	2,223	56,880	150,145
Special Assessments	-	-	-	-	186,843	186,843
Interest	362,275	19,999	39,134	(52,076)	-	369,332
Tax Increment Financing	-	-	-	-	517,401	517,401
Other	3,428,795	6,562	-	53,550	1,310,488	4,799,395
Total Revenues	17,245,740	5,251,164	3,330,189	1,267,646	10,228,663	37,323,402
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,460,292	-	-	965,155	806,627	7,232,074
Judicial	1,667,731	-	-	-	82,229	1,749,960
Public Safety	4,663,572	-	-	-	760,231	5,423,803
Public Works	36,729	4,827,687	-	-	131,851	4,996,267
Health	160,505	-	-	-	2,817,966	2,978,471
Human Services	173,841	-	3,035,439	-	5,328,832	8,538,112
Economic Development and Assistance	76,000	-	-	-	1,663,588	1,739,588
Intergovernmental	168,440	-	-	-	-	168,440
Debt Service:						
Principal Retirement	-	-	-	-	629,751	629,751
Interest and Fiscal Charges	-	-	-	-	90,342	90,342
Total Expenditures	12,407,110	4,827,687	3,035,439	965,155	12,311,417	33,546,808
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,838,630</u>	<u>423,477</u>	<u>294,750</u>	<u>302,491</u>	<u>(2,082,754)</u>	<u>3,776,594</u>
Other Financing Sources (Uses)						
Advances In	111,973	-	-	-	3,196	115,169
Advances Out	(3,196)	-	-	-	(111,973)	(115,169)
Transfers In	7,460	115,251	-	-	366,607	489,318
Transfers Out	(334,648)	(126,517)	(20,528)	-	(7,625)	(489,318)
Total Other Financing Sources (Uses)	(218,411)	(11,266)	(20,528)	-	250,205	-
Net Change in Fund Balances	4,620,219	412,211	274,222	302,491	(1,832,549)	3,776,594
<i>Fund Balances Beginning of Year</i>	<u>5,299,305</u>	<u>1,573,369</u>	<u>3,353,160</u>	<u>1,465,155</u>	<u>7,404,692</u>	<u>19,095,681</u>
Fund Balances End of Year	<u>\$9,919,524</u>	<u>\$1,985,580</u>	<u>\$3,627,382</u>	<u>\$1,767,646</u>	<u>\$5,572,143</u>	<u>\$22,872,275</u>

See accompanying notes to the basic financial statements

Van Wert County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Fund: \$3,776,594

*Amounts reported for governmental activities in the
statement of activities are different because*

The internal service fund used by management to charge the cost of insurance to individual funds is not reported on the statement of activities. Governmental and related internal service fund revenue are eliminated.

(444,547)

Change in Net Position of Governmental Activities

\$3,332,047

See accompanying notes to the basic financial statements

Van Wert County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,489,480	\$1,489,480	\$1,495,816	\$6,336
Permissive Sales Tax	4,950,000	4,950,000	5,926,718	976,718
Alternate Energy Tax	302,500	302,500	302,518	18
Intergovernmental	1,218,500	3,977,452	3,949,570	(27,882)
Charges for Services	1,045,539	1,104,313	1,431,409	327,096
Licenses and Permits	1,400	1,400	1,421	21
Fines and Forfeitures	43,000	43,000	46,179	3,179
Interest	150,020	150,020	315,484	165,464
Other	411,022	451,545	3,419,513	2,967,968
Total Revenues	9,611,461	12,469,710	16,888,628	4,418,918
Expenditures				
Current:				
General Government:				
Legislative and Executive	5,360,589	8,063,320	7,147,677	915,643
Judicial	1,923,854	2,146,225	1,763,330	382,895
Public Safety	4,994,983	5,219,730	4,654,261	565,469
Public Works	60,000	60,000	36,729	23,271
Health	224,950	224,950	160,530	64,420
Human Services	208,500	208,500	177,778	30,722
Economic Development and Assistance	61,000	76,000	76,000	-
Intergovernmental	211,799	211,799	169,540	42,259
Total Expenditures	13,045,675	16,210,524	14,185,845	2,024,679
Excess of Revenues Over (Under) Expenditure:	(3,434,214)	(3,740,814)	2,702,783	6,443,597
Other Financing Sources (Uses)				
Advances In	143,668	143,668	111,973	(31,695)
Advances Out	-	(4,931)	(3,196)	1,735
Transfers In	-	2,225	7,460	5,235
Transfers Out	(330,061)	(463,552)	(334,648)	128,904
Total Other Financing Sources (Uses)	(186,393)	(322,590)	(218,411)	104,179
Net Change in Fund Balance	(3,620,607)	(4,063,404)	2,484,372	6,547,776
Fund Balance Beginning of Year	4,172,176	4,172,176	4,172,176	-
Prior Year Encumbrances Appropriated	472,352	472,352	472,352	-
Fund Balance End of Year	\$1,023,921	\$581,124	\$7,128,900	\$6,547,776

See accompanying notes to the basic financial statement

Van Wert County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gas Tax Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Permissive Motor Vehicle License Tax	\$100,000	\$100,000	\$114,133	\$14,133
Intergovernmental	4,100,000	4,100,000	4,885,582	785,582
Charges for Services	200,000	200,000	184,253	(15,747)
Fines and Forfeitures	-	-	40,626	40,626
Interest	5,000	5,000	15,664	10,664
Other	1,500	3,116	6,562	3,446
Total Revenues	4,406,500	4,408,116	5,246,820	838,704
Expenditures				
Current:				
Public Works	4,976,275	5,646,340	5,014,943	631,397
Debt Service:				
Interest and Fiscal Charges	15,000	15,000	-	15,000
Total Expenditures	4,991,275	5,661,340	5,014,943	646,397
Excess of Revenues Over (Under) Expenditures	(584,775)	(1,253,224)	231,877	1,485,101
Other Financing Sources (Uses)				
Transfers In	-	115,251	115,251	-
Transfers Out	(126,517)	(126,517)	(126,517)	-
Total Other Financing Sources (Uses)	(126,517)	(11,266)	(11,266)	-
Net Change in Fund Balance	(711,292)	(1,264,490)	220,611	1,485,101
Fund Balance at Beginning of Year	1,416,143	1,416,143	1,416,143	-
Prior Year Encumbrances Appropriated	105,863	105,863	105,863	-
Fund Balance at End of Year	\$810,714	\$257,516	\$1,742,617	\$1,485,101

See accompanying notes to the basic financial statements

Van Wert County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Thomas Edison Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,863,000	\$1,863,000	\$1,869,882	\$6,882
Alternate Energy Tax	132,582	132,582	129,918	(2,664)
Intergovernmental	636,000	636,000	886,165	250,165
Charges for Services	107,000	98,265	423,326	325,061
Interest	-	-	39,134	39,134
Other	6,000	6,000	-	(6,000)
Total Revenues	2,744,582	2,735,847	3,348,425	612,578
Expenditures				
Current:				
Human Services	3,706,535	3,365,695	3,244,166	121,529
Excess of Revenues Over (Under) Expenditures	(961,953)	(629,848)	104,259	734,107
Other Financing Sources (Uses)				
Transfers Out	(20,000)	(20,528)	(20,528)	-
Total Other Financing Sources (Uses)	(20,000)	(20,528)	(20,528)	-
Net Change in Fund Balance	(981,953)	(650,376)	83,731	734,107
Fund Balance at Beginning of Year	2,884,983	2,884,983	2,884,983	-
Prior Year Encumbrances Appropriated	416,735	416,735	416,735	-
Fund Balance at End of Year	\$2,319,765	\$2,651,342	\$3,385,449	\$734,107

See accompanying notes to the basic financial statement:

Van Wert County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Brumback Library Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$202,875	\$202,875	\$203,049	\$174
Alternate Energy Tax	14,000	14,000	15,091	1,091
Intergovernmental	623,000	623,000	1,044,648	421,648
Charges for Services	2,900	2,900	3,144	244
Fines and Forfeitures	3,000	3,000	2,223	(777)
Other	18,100	18,100	8,833	(9,267)
Total Revenues	863,875	863,875	1,276,988	413,113
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,160,841	1,379,600	968,928	410,672
Total Expenditures	1,160,841	1,379,600	968,928	410,672
Net Change in Fund Balance	(296,966)	(515,725)	308,060	823,785
Fund Balance at Beginning of Year	653,258	653,258	653,258	-
Prior Year Encumbrances Appropriated	9,301	9,301	9,301	-
Fund Balance at End of Year	\$365,593	\$146,834	\$970,619	\$823,785

See accompanying notes to the basic financial statement:

Van Wert County, Ohio
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2022

	Recycling	Government Activities Internal Service
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$335,336	\$330,392
Total Assets	335,336	330,392
Net Position		
Unrestricted	335,336	330,392
Total Net Position	\$335,336	\$330,392

See accompanying notes to the basic financial statements

Van Wert County, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Recycling</u>	<u>Governmental Activities Internal Service</u>
Operating Revenues		
Charges for Services	\$734,836	\$35,701
Total Operating Revenues	<u>734,836</u>	<u>35,701</u>
Operating Expenses		
Personal Services	514,374	-
Contractual Services	62,030	473,310
Materials and Supplies	79,068	-
Claims	-	6,938
Capital Outlay	811	-
Total Operating Expenses	<u>656,283</u>	<u>480,248</u>
<i>Operating Income (Loss)</i>	78,553	(444,547)
Net Position Beginning of Year	<u>256,783</u>	<u>774,939</u>
Net Position End of Year	<u><u>335,336</u></u>	<u><u>330,392</u></u>

See accompanying notes to the basic financial statements.

Van Wert County, Ohio
Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Recycling</u>	<u>Governmental Activities Internal Service</u>
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities		
Cash Received from Customers and Support	\$734,836	\$35,701
Cash Payments for Employee Services and Benefits	(514,374)	-
Cash Payments to Suppliers	(141,098)	(473,310)
Cash Payments for Claims	-	(6,938)
Net Cash Provided by (Used for) Operating Activities	<u>\$79,364</u>	<u>(444,547)</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Outlay	(811)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(811)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	78,553	(444,547)
Cash and Cash Equivalents Beginning of Year	<u>256,783</u>	<u>774,939</u>
Cash and Cash Equivalents End of Year	<u>\$335,336</u>	<u>\$330,392</u>

See accompanying notes to the basic financial statements

Van Wert County, Ohio
Statement of Fiduciary Net Position - Modified Cash Basis
Custodial Funds
December 31, 2022

Assets	
Equity in Pooled Cash and Cash Equivalent:	\$2,256,084
Cash and Cash Equivalents in Segregated Account:	<u>310,581</u>
Total Assets	<u><u>\$2,566,665</u></u>
Net Position	
Restricted for Individuals, Organizations and Other Government	<u>\$2,566,665</u>
Total Net Position	<u><u>\$2,566,665</u></u>

See accompanying notes to the basic financial statement

Van Wert County, Ohio
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Custodial Funds
For the Year Ended December 31, 2022

Additions:	
Intergovernmental	\$2,992,163
Amounts Received as Fiscal Agent	1,924,843
Licenses and Permits and Fees for Other Governments	136,267
Property Tax Collections for Other Governments	27,803,773
Excise Tax Collections for Other Governments	5,200
Special Assessment Collections for Other Governments	109,579
Amounts Received for Other Governments	8,398,544
Total Additions	41,370,369
 Deductions	
Custodial Fund Disbursements	8,662,589
Distributions as Fiscal Agent	1,656,009
Distributions of State Funds to Other Governments	2,995,413
Distributions to the State of Ohio	184,685
Property Tax Distributions to Other Governments	26,274,855
Special Assessment Distributions to Other Governments	133,402
Other Distributions to Other Governments	1,568,092
Total Deductions	41,475,045
 Change in Net Position	 (104,676)
 Net Position at Beginning of Year	 2,671,341
 Net Position at End of Year	 \$2,566,665

See accompanying notes to the basic financial statements.

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Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Van Wert County, Ohio (The County), was created in 1820 but was not organized until 1837. 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 who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a joint 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 budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Van Wert County, this includes the Children's Services Board, the Board of Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Van Wert County Veterans Services, Van Wert County Election Board, Emergency Management Agency and all departments and activities that are directly operated by the elected County officials. Van Wert County Brumback Public Library is included as part of the primary government.

Van Wert County Brumback Public Library

The Brumback Library was constructed and donated to Van Wert County per the will of the late J. S. Brumback and a contract made between the heirs of the estate and the Van Wert County Commissioners in 1898. The Library was established as a free public library for the benefit of the citizens of Van Wert County, Ohio, at that time. The law was enacted under Section 891a Revised Statute. The Statute provides: "Any County accepting such a bequest, donation or gift shall be bound to faithfully carry out the agreement so made to provide and maintain such a library." It is therefore the legal duty of the Board of County Commissioners to faithfully comply with the terms of the contract and maintain and operate the library as a County Library.

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

Blended Component Unit

The Library Enrichment Foundation of the Brumback Library is a component unit that is blended with the primary government. It is blended with the primary government because it is so intertwined with the primary government that it is, in substance, the same as the primary government.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Library Enrichment Foundation of the Brumback Library - The Library Enrichment Foundation of the Brumback Library was formed for the purpose of supporting and promoting charitable, educational, scientific, and literary purposes of the Brumback Library. Membership in the Foundation consists solely of the Trustees of the Brumback Library and the Director of the Brumback Library. The board of the Foundation and the Brumback Library are the same. The Brumback Library is part of the primary government, and the primary government may affect the activities, programs and projects of the Foundation; therefore, it would be misleading to exclude the Library Enrichment Foundation of the Brumback Library from the financial statements of the primary government. The Foundation is considered a component unit and blended with the primary government.

Discretely Presented Component Units

The component unit columns in the entity-wide financial statements identify the financial data of the County's discretely presented component units: the Van Wert County Port Authority and the Van Wert County Land Reutilization Corporation. They are reported separately to emphasize that they are legally separate from the County. Condensed financial information for the component units is presented in Note 13.

Van Wert County Port Authority - The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County. The Board of the Port Authority is appointed by the Van Wert County Commissioners. The Van Wert County Commissioners have potential to receive financial benefit from the Port Authority, since the County is entitled to any surplus of the Port Authority. The County is also financially accountable for the Authority. The Van Wert County Auditor is the fiscal agent for the Port Authority. Separately issued financial statements can be obtained from Jami Bradford, the County Auditor, at 121 E. Main Street, Van Wert, Ohio 45891.

Van Wert County Land Reutilization Corporation – The Van Wert County Land Reutilization Corporation is a legally separate organization created by resolution of the Van Wert County Commissioners on August 2, 2016. The Board of the Corporation is composed of the County Treasurer, two members of the County Board of Commissioners, one representative of the City of Van Wert and any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The County Commissioners can impose its will on the Corporation. Separately issued financial statements can be obtained from Krista Somerton, Van Wert Area Economic Development Corporation, at 145 E. Main Street, Van Wert, OH 45891.

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

- Van Wert County General Health District
- Van Wert County Soil and Water Conservation District
- Van Wert County Park District

The County participates in certain organizations that are defined as Joint Ventures, Jointly Governed Organizations, and Insurance Pools.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

The County's Joint Venture, the Van Wert County Regional Planning Commission (the Commission), is presented in Note 14. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Regional Planning Commission is presented as custodial funds within the County's financial statements.

The Jointly Governed Organizations of the County, the Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board), the Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC), the Van Wert County Council on Aging, Inc. (the Council) and the Northwest Ohio Waiver Administration Council (NOWAC), are presented in Note 15. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments.

The Insurance Pools, the Midwest Pool Risk Management Agency, Inc. (the Pool), the County Commissioners' Association of Ohio Service Corporation (CCAOSC), the Ohio School Plan (OSP) and the County Employee Benefits Consortium of Ohio (CEBCO) are insurance purchase pools presented in Note 16. The Pool is a risk-sharing pool, while the CCAOSC, OSP, and CEBCO are insurance purchasing pools. A risk-sharing pool is an organization formed by a group of governments to combine risks and resources and share in the cost of losses. An insurance purchasing pool is an organization formed by a group of governments to pool funds or resources to purchase commercial insurance policies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although Ohio Administrative Code Section 117-2-03 (B) requires the County's financial report to follow accounting principles generally accepted in the United States of America, the County chooses to prepare its financial statements and notes in accordance with the modified cash basis of accounting.

This basis of accounting is similar to the cash receipts and disbursements basis. The County recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The County also reports long-term investments as assets, valued at cost.

Basis of Presentation

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

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

Fund Financial Statements

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

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 utilized by the County: governmental, proprietary, and fiduciary.

Governmental Funds

The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the County's major governmental funds:

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Motor Vehicle and Gas Tax Fund – This fund is used to account for revenue derived from motor vehicle licenses, gasoline taxes and investment income. Expenditures in this fund are restricted by State law to county road and bridge repair and improvement programs. The County Engineer currently expends the majority of the revenues in this fund for road and bridge repairs and operating costs for the Engineer’s Office.

Thomas Edison Fund – This fund is used to account for money received from a County-wide property tax levy and several federal and state grants and subsidies for Developmental Disabilities, its operations and activities.

Brumback Library Fund – This fund is used to account for the operation of the Brumback Library. Revenue is received from bequests and donations and from money received from the operations of the Library. In addition, the Library receives revenue from the Local Government Fund. A library district tax levy also provides support for the Library. The County chooses to report this fund as a major fund due to its unique relationship with the County.

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

Proprietary Fund

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows.

Enterprise Fund – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County’s enterprise fund:

Recycling Fund – This fund is used to account for the provision of recycling service to certain residents and businesses within the County.

Internal Service Fund - The 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 funds account for monies received from workers’ compensation premiums charged to each County department.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds account for cash and investments where the County is acting as trustee or fiscal agent for other entities or individuals. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used by the County to account for assets held under a trust agreement for individuals, private organizations or other governments; therefore, they are not available to support the County’s own programs. Custodial funds are used to report resources held by the County in a purely custodial capacity.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County's only fiduciary funds are custodial funds. The County's custodial funds are primarily established to account for the collection of various taxes, receipts and fees and to account for funds of the County General Health District, Soil and Water Conservation District, Park District and Regional Planning Commission.

Component Units

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

Cash and Cash Equivalents

Cash balances of the County's funds, except cash and cash equivalents in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through County records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. Cash and cash equivalents that are held separately by the component units and within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "cash and cash equivalents in segregated accounts." "Cash and Cash Equivalents with Escrow Agents" is made up of the County Commissioners Great Bear Solar Escrow Account. Investments that are held separately by the Library Enrichment Foundation of the Brumback Library and not held with the County Treasurer are recorded on the balance sheet as "investments in segregated accounts."

Investments are reported at cost. During 2022, the County invested in certificates of deposits, First American Treasury Obligation fund, US Treasury Notes, US Treasury Bill and municipal bonds. The Library Enrichment Foundation of the Brumback Library invests in First Financial Bancorp Common Stock, Northern FDS Stock Index Fund, McDonalds Corp common stock, Vanguard Growth and Income Fund, Vanguard Mid-Cap Index Fund, Vanguard Small-Cap Growth Index Fund, and Vanguard Value Index Fund.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interest income is distributed to the funds according to statutory requirements. Interest revenue of \$362,275 was credited to the General Fund during 2022, which includes \$228,944 from other County funds.

Inventory of Supplies

On the modified cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

Prepaid Items

On the modified cash basis of accounting, payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as disbursements when made.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

Compensated Absences

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

Pensions/Other Postemployment Benefits (OPEB)

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

Long-Term Obligations

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the modified cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

Leases

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

Net Position

Net position is reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitation on its use.

The County first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted resources are available.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Receipts and Disbursements

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts are those receipts that are generated directly from the primary activity of the enterprise fund. For the County, these receipts are charges for services for recycling services. Operating disbursements are the necessary costs incurred to provide the service that is the primary activity of the fund. All receipts and disbursements that do not meet these definitions are reported as non-operating.

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 governmental funds. The classifications are as follows:

Nonspendable – The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The ‘not in spendable form’ includes items that are not expected to be converted to cash.

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

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

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

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. Budgetary information has not been presented for the Library Enrichment Foundation of the Brumback Library (blended component unit) because it is not included in the entity for which the “appropriated budget” is adopted nor does the entity maintain separate budgetary records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners’ authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures are due to encumbrances outstanding at the end of the year, and non-budgeted activity of some of the departments' off-book cash accounts. Differences between receipts reported in the fund and entity wide statements versus budgetary receipts are due to unrecorded cash at the beginning and end of year and cash that is held by custodial funds on behalf of County funds on a budget basis are allocated in the appropriate County fund on a modified cash basis. Perspective differences arise from the activity of some funds being included with the General Fund on a modified cash basis because those funds do not meet the requirements to be presented as a separate fund. These funds are not presented on the budget basis because the budget basis only presents the legally adopted budget for the given fund. Although not part of the appropriated budget, the Library Enrichment Foundation of the Brumback Library Special Revenue Fund is included as part of the reporting entity when preparing the modified cash statements.

The adjustments necessary to convert the results of operations for the year on the modified cash basis to the budget basis for the General Fund, and the Motor Vehicle and Gas Tax, Thomas Edison, and the Brumback Library Special Revenue Funds are as follows:

	Net Change in Fund Balance			
	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library
Modified Cash Basis	\$4,620,219	\$412,211	\$274,222	\$302,491
2022 Unrecorded Cash/Agency Fund Allocation	(94,177)	(4,446)	(33,206)	(3,630)
2021 Unrecorded Cash/Agency Fund Allocation	61,488	102	51,442	5,613
Activity of Non-budgeted Funds/Perspective Differences	(55,244)	21,950	-	9,635
Encumbrances	<u>(2,047,914)</u>	<u>(209,206)</u>	<u>(208,727)</u>	<u>(6,049)</u>
Budget Basis	<u>\$2,484,372</u>	<u>\$220,611</u>	<u>\$83,731</u>	<u>\$308,060</u>

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 with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

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, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided the bonds or other obligations of political subdivisions mature within ten year from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) section 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in division (1) or (2) above; commercial paper as described in ORC section 134.143 (6); and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation and that mature not later than 180 days after purchase.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state, provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

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. 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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

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

At year-end, the carrying amount of the County's deposits was \$16,933,704, which includes \$133,318 for the Port Authority component unit's deposits and the bank balance was \$17,199,646. Of the bank balance, \$6,710,697 was covered by federal deposit insurance. \$10,488,949 of the County's bank balance of \$17,199,646 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the County's name.

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

Eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments

The fair value of these investments is not materially different than the measurement value. 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 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. At year-end, the County had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
Vanguard Growth and Income Fund	\$31,257	\$31,257	\$0	\$0
Vanguard Mid-Cap Index Fund	63,996	63,996	0	0
Vanguard Small-Cap Growth Index Fund	70,583	70,583	0	0
Vanguard Value Index Fund	48,293	48,293	0	0
Northern FDS Stock Index	13,297	13,297	0	0
First Financial Bancorp	32,032	0	0	0
McDonalds Corp	13,440	0	0	0
US Treasury Bill	1,999,432	1,999,432	0	0
US Treasury Notes	1,994,398	0	1,994,398	0
Certificates of Deposit	4,164,985	248,938	3,672,657	243,390
Municipal Bonds	835,000	0	835,000	0
First American Treasury Obligation	37,569	37,569	0	0
Total Investments	\$9,304,282	\$2,513,365	\$6,502,055	\$243,390

Interest Rate Risk – The County’s investment policy states that the maximum maturity is five years from the settlement date.

Credit Risk – The County’s investment policy does not address credit risk. The investment in Vanguard Growth and Income Fund, Vanguard Mid-Cap Index Fund, Vanguard Small-Cap Growth Index Fund, Vanguard Value Index Fund, Northern FDS Stock Index, First Financial Bancorp, McDonalds Corp are common stock and mutual funds and are not rated. The County’s investment in First American Treasury Obligation is rated AAAM by Standard & Poor’s. The US Treasury Bill and US Treasury Notes are rated AA+ by Standard & Poor’s.

Concentration of Credit Risk – The County’s investment policy states the investment authority will diversify the investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The following investments comprised five or more percent of the investment portfolio:

Investment Type	Percentage
Certificates of Deposit	45%
Municipal Issues	9%
US Treasury Note	21%
Us Treasury Bill	21%

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 5 – PROPERTY TAXES

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% 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.

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to each subdivision its portion of the taxes collected in June and December for taxes payable in the first and second halves of the year, respectively.

The full tax rate for all County operations for the year ended December 31, 2022, was \$7.15 per \$1,000 of assessed value. The assessed values of real property upon which 2022 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Agricultural/Residential Real Property/Commercial/Industrial	\$626,779,110	87.52%
Public Utility Personal Property	89,411,600	12.48%
Total Assessed Valuation	<u>\$716,190,710</u>	<u>100%</u>

NOTE 6 – PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1.5% tax on all retail sales made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. 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 Ohio Department of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax revenue in 2022 amounted to \$5,926,718 in the General Fund.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability

The net pension/OPEB liability (asset) is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework. The Statewide retirement system provide both pension benefits and other postemployment benefits (OPEB).

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

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

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 liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A 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 5 years of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 5 years 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.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections.

Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (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.

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

The County's contractually required contribution was \$1,647,562 for 2022.

Net Pension Liability/(Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions.

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.07928900%	0.03088800%	
Prior Measurement Date	0.07294900%	0.03953600%	
Change in Proportionate Share	0.00634000%	-0.00864800%	
Proportionate Share of the:			
Net Pension Liability	\$6,898,464	\$0	\$6,898,464
Net Pension Asset	0	121,700	121,700

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions

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

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

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

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$18,188,104	\$6,898,464	(\$2,496,018)
OPERS Combined Plan	(90,811)	(121,700)	(145,791)

NOTE 8 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

The net OPEB liability (asset) represents the County's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (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 net OPEB liability (asset) is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the modified cash basis framework.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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

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

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

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

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

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

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

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

The County's contractually required contribution was \$0 for 2022.

Net OPEB Liability (Asset)

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

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability:	
Current Measurement Date	0.076986%
Prior Measurement Date	0.071238%
Change in Proportionate Share	0.0057480%
Proportionate Share of the Net OPEB Liability (Asset)	(\$2,411,319)

Actuarial Assumptions - OPERS

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

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

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate	0.00	0.00
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

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

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

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

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
County's proportionate share of the net OPEB liability (asset)	(\$1,418,082)	(\$2,411,319)	(\$3,235,722)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$2,437,377)	(\$2,411,319)	(\$2,380,407)

NOTE 9 - RISK MANAGEMENT

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2022, the County contracted with the Midwest Pool Risk Management Agency, Inc. and the Public Entity Risk Consortium (PERC) for liability, property and crime insurance. The listing below is a general description of insurance coverage. All policy terms, conditions, restrictions, exclusions, etc. are not included.

Coverage provided by Midwest Pool Risk Management Agency, Inc. (MPRMA) and the Public Entity Risk Consortium (PERC) is as follows:

Property

- \$500,000,000 limit per occurrence, subject to following limits:
- Building and Contents at 120% of reported value for location
- Flood at \$50,000,000 combined annual aggregate for all MPRMA members
- Earthquake at \$50,000,000 combined annual aggregate for all MPRMA members

Boiler and Machinery

- \$100,000,000 per occurrence

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 9 - RISK MANAGEMENT (Continued)

Automobile

\$10,000,000 per occurrence

Liability – General, Auto, Law Enforcement, Employee Benefits, Public Official Liability

\$7,000,000 per occurrence (\$2,000,000 primary + \$5,000,000 excess)

Pollution

\$1,000,000 per occurrence and excess aggregate for all MPRMA members

Crime

\$2,000,000

All limits except Boiler and Machinery and Crime are inclusive of MPRMA \$100,000 retention. Van Wert insurance is subject to \$500 property deductible. In addition to the coverage above, the County has insurance under the Ohio School Plan for the Van Wert County Board of DD.

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There have been no material reductions in this coverage from the prior year.

Health Care Benefits

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) for its employees' health, dental and drug card insurance. CEBCO is a not-for-profit corporation and an insurance purchasing pool (Note 16). The intent of the CEBCO is to achieve the benefit of reduced health insurance premiums by pooling resources to purchase employee benefits. The County pays the annual actuarially determined rate on a monthly basis. Components of the funding rate include the claims fund distribution, incurred but unreported claims, a claim contingency reserve fund, and the fixed cost of the consortium.

The Brumback Library contracts with Medical Mutual for medical insurance.

The County Engineer contracts with MedBen for health care and dental coverage.

The Sheriff's Department receives health coverage through the Teamsters Local Union.

Workers' Compensation

The County participates in the County Commissioners' Association of Ohio Workers' Compensation Group Retrospective Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool (See Note 16). The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 9 - RISK MANAGEMENT (Continued)

Employers participating in the Group Retrospective Rating program pay an experience or base-rate premium under the same terms as if they were not in a retro group. At the end of the 12, 24, and 36 months after the end of the policy year, a group retrospective premium will be recalculated. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, employers in the group will receive a refund. If the retrospective premium is higher, each employer in the group will be charged an assessment. A portion of the refunds or deferred assessments may be held in the first and second evaluation periods to minimize the volatility of the refunds and assessments. After the third evaluation period, any net refunds or assessments will be distributed.

The County established an internal service fund to account for participation in this program.

NOTE 10 – LEASES

The County entered into several non-cancelable leases. Thomas Edison is leasing a Town & Country van, the Board of Elections is leasing office space, and the Engineer’s Office is leasing copiers. Lease payments for 2022 were \$39,857. The following schedule is the future minimum rental payments for the leases:

For the Year Ending:	Amount
2023	\$39,857
2024	19,107
2025	8,018
Total	<u>\$66,982</u>

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Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 11 - DEBT

Governmental Activities Debt

The changes in the County's long-term obligations of the governmental activities of the County during 2022 follow:

Date of Issue	Description	Interest Rate	Balance at 12/31/2021	Increases	Decreases	Balance at 12/31/2022	Due in One Year
<u>General Obligation Notes</u>							
2002	County Annex	1.33%	\$64,008	\$0	(\$64,008)	\$0	\$0
Total General Obligation Notes			64,008	-	(64,008)	-	-
<u>OWDA Loan</u>							
2007	Washington Twp/Delphos Sewers	0.00%	169,786	-	(24,256)	145,530	24,256
2009	OWDA Loan - 127 Sewer/118 Sewer	0.00%	74,301	-	(7,821)	66,480	7,821
2010	OWDA Loan - Overholt Addition	0.00%	32,998	-	(3,666)	29,332	3,666
			277,085	-	(35,743)	241,342	35,743
<u>Energy Improvement Bonds</u>							
2012	County Building Improvement	2.91%	298,000	-	(56,000)	242,000	58,000
2019	Developmental Disabilities Board	2.98%	223,000	-	(14,000)	209,000	16,000
			521,000	-	(70,000)	451,000	74,000
<u>General Obligation Bonds</u>							
2008	Capital Facilities Bond Series B	9.375%	260,000	-	(55,000)	205,000	60,000
2016	Towne Center Refunding	1.87%	1,250,000	-	(305,000)	945,000	310,000
2020	Administration Building Bonds	1.89%	1,453,000	-	(100,000)	1,353,000	102,000
Total General Obligation Bonds			2,963,000	-	(460,000)	2,503,000	472,000
Total Notes, Loans and Bonds			\$3,825,093	\$ -	\$(629,751)	\$3,195,342	\$581,743

The following table discloses the original issue amounts for the debt issued:

Issue	Amount
General Obligation Notes:	
2002 County Annex/County Home	495,334
OWDA Loans:	
2007 Washington Twp/Delphos Sewer	485,111
2009 Rt. 127 & 118 Sewer	152,520
2010 Overholt - Sewer Design	73,323
Energy Conservation Bonds:	
2012 County Building Improvement	737,000
2019 Developmental Disabilities Board	259,000
General Obligation Bonds:	
2008 Capital Facilities Bonds, Series B	685,000
2016 Capital Facility Refunding Bonds	2,675,000
2020 Administration Building Bonds	1,550,000

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 11 – DEBT (Continued)

All of the notes are general obligation notes and they are backed by the full faith and credit of Van Wert County. The Thomas Edison Improvement Notes are being paid with monies from the Thomas Edison Center. All other note issues will be paid through the debt service funds transfers from the General Fund and MVGT funds. The note liability is reflected as long-term since the notes are similar to serial bonds where annual payments are made each year and there is no rollover of principal from year to year. All of the notes are pre-payable without penalty at the option of the County at any time prior to maturity.

In 2008, the County issued capital facilities general obligation bonds to retire the general obligation notes for Towne Center. Series A bonds have a par value of \$3,580,000 and Series B bonds have a par value of \$685,000. The bonds will be paid from revenues received under a City tax financing agreement entered into with the City of Van Wert on October 5th, 2004.

On November 31, 2016, the County issued \$2,675,000 in general obligation bonds for the purpose of advance refunding the 2008 Capital Facilities Bonds, Series A. The old bonds had interest rates ranging from 4 to 4.25 percent and the new bonds have an interest rate of 1.870125%.

In 2007, the County entered into a loan agreement with the Ohio Water Development Authority. The total amount of the loan was finalized in 2009 at \$485,111. The loan is an interest free loan and will be paid semi-annually for 20 years. The City of Delphos will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Delphos will remit the fees to the County quarterly and these fees will be used to retire the debt.

On March 26, 2009, the County entered into a loan agreement for with the Ohio Water Development Authority for a Wastewater Treatment Plant Upgrade (Rt. 127 & 118 Sewer). The total project is \$800,385. The County was awarded ARRA monies for this project where \$643,954 of principal has been forgiven as of December 31, 2011. The loan is an interest free loan and will be paid semi-annually for 20 years. The loan was finalized during 2011 for \$152,520 and the first payment was due January 1, 2012.

The City of Van Wert will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Van Wert will remit the fees to the County quarterly and these fees will be used to retire the debt.

On August 27, 2009, the County entered into a loan agreement for \$78,855 with the Ohio Water Development Authority for a Sewer Design. The loan is an interest free loan and will be paid semi-annually for 20 years starting July 1, 2011. The loan was finalized in 2011 for \$73,323. This loan is being paid for with transfers from the General Fund.

In 2012, the County issued the County Building Improvement bonds in the amount \$737,000. The serial bonds carry an interest rate of 2.91% and will mature December 1, 2026. The bonds will be paid from energy conservation savings which result from the energy efficiency improvements made with the bond proceeds.

In 2019, the County issued \$259,000 in Developmental Disabilities Board Energy Improvement Bonds. The bonds have an interest rate of 2.98% and mature in 2034.

In 2020, the County issued \$1,500,000 in Administration Building Bonds. The bonds have an interest rate of 1.89% and mature in 2034.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 11 – DEBT (Continued)

Principal and interest requirements to retire the County's governmental activities long-term obligations outstanding at December 31, 2022, were as follows:

Year	Governmental Activities				
	General Obligation Bonds		OWDA Loans	Energy Conservation Bonds	
	Principal	Interest	Principal	Principal	Interest
2023	\$472,000	\$61,500	\$35,743	\$74,000	\$13,122
2024	488,000	48,140	35,743	76,000	10,972
2025	500,000	33,720	35,743	77,000	8,734
2026	107,000	18,701	35,743	81,000	6,467
2027	109,000	16,660	35,743	17,000	4,142
2028-2032	580,000	51,124	62,627	96,000	12,501
2033-2035	247,000	4,696	-	30,000	894
Totals	<u>\$2,503,000</u>	<u>\$234,541</u>	<u>\$241,342</u>	<u>\$451,000</u>	<u>\$56,832</u>

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 should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and un-voted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 2022, are an overall debt margin of \$15,379,925 and an un-voted debt margin of \$5,940,170.

Conduit Debt

From time to time, the County has issued bonds to provide financial assistance to private sector entities for the acquisition and construction of facilities deemed to be in the public interest. The proceeds of these bonds do not constitute a general obligation, debt or bonded indebtedness of the County. The County is not obligated in any way to pay debt charges on the bonds from any of its funds; therefore, they have been excluded entirely from the County's debt presentation. Neither is the full faith and credit or taxing power of the County pledged to make repayment. The County has issued the following conduit debt:

During 2020, the Van Wert County Hospital Association (d/b/a Van Wert Health) issued \$61,290,000 Series 2020 bond that was issued through the county of Van Wert. The proceeds of the bonds will be used to complete the construction of an 80,000 square foot expansion of its main campus adding much-needed modern medical, surgical and labor and delivery space. The proceeds of the bonds were also used to refinance certain existing debt of Van Wert Health

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 12 - INTERFUND TRANSACTIONS

Advances not repaid at year-end and are not presented on the face of the financial statements. All outstanding advances at December 31, 2022, are expected to be paid within one year.

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	Balance			Balance
		12/31/21	Increases	Decreases	12/31/22
General	Delphos Sewer	\$2,431	\$3,196	(\$2,431)	\$3,196
General	Towne Center Bond	141,237	0	(109,542)	31,695
Totals		<u>\$143,668</u>	<u>\$3,196</u>	<u>(\$111,973)</u>	<u>\$34,891</u>

The following transfers were made during 2022:

	<u>Transfers From</u>				
	General	Motor Vehicle and Gas Tax	Thomas Edison	Other Governmental	Total
General	\$0	\$0	\$0	\$7,460	\$7,460
Motor Vehicle and Gas Tax	115,251	-	-	-	115,251
Other Governmental	219,397	126,517	20,528	165	366,607
Total	<u>\$334,648</u>	<u>\$126,517</u>	<u>\$20,528</u>	<u>\$7,625</u>	<u>\$489,318</u>

The General Fund transferred \$115,251 to the Motor Vehicle and Gas Tax Fund. In addition, the General Fund transferred \$132,356 for debt service obligations. The General Fund also transferred \$42,506 to the Department of Job and Family Services, \$17,500 to Children’s Services, \$10,000 to the Dog and Kennel Fund, and \$17,035 to the Emergency Management Agency.

The Motor Vehicle and Gas Tax Special Revenue Fund transferred \$126,517 to the Engineer Building Note Fund.

The Thomas Edison special revenue fund transferred \$20,528 to the Thomas Edison Bond Fund.

The Common Pleas Court Special Project Fund transferred \$7,460 to the General Fund.

The Community Corrections 2019-2021 Jail Diversion fund transferred \$165 the Community Corrections 2011-2023 Jail Diversion fund.

NOTE 13 – DISCRETELY PRESENTED COMPONENT UNITS

Summary of Significant Accounting Policies

A. Nature of Organizations

(1) The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County.

(2) The Van Wert County Land Reutilization Corporation (the Land Bank) was created August 2, 2016, by resolution of the Van Wert County Commissioners.

B. Classification of Net Position

The unrestricted component of net position is comprised of the amount upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

C. Assets held for Resale

Assets held for resale are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

D. Inventories

The component units report disbursements for inventory items when paid. These items are not reflected as assets in the accompanying financial statements.

E. Capital Assets

Capital assets are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

F. Deposits and Investments

Cash and cash equivalents held by the Van Wert County Land Bank are classified as "Cash and Cash Equivalents in Segregated Accounts," meaning any investment with an original maturity of three months or less. Cash and cash equivalents held by the Van Wert County Port Authority is presented in the account "Equity in Pooled Cash and Cash Equivalents" because its funds are included in the County Treasurer's cash management pool.

1. Since the County Auditor is the fiscal agent for the Van Wert County Port Authority, the Port Authority follows the same investment guidelines as the County Treasurer. Information concerning deposits for the Port Authority can be found in Note 4.
2. The carrying amount of the Land Bank was \$476,876. The entire balance was covered by federal depository insurance.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 14 – JOINT VENTURE

Van Wert County Regional Planning Commission

The Van Wert County Regional Planning Commission (the Commission) is a joint venture among the County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of thirty members of which two-thirds are elected officials. The County must be represented by the three County Commissioners, a County Health Official, the County Engineer, the County Recorder, the County Auditor, the Sheriff and the County Extension Agent. Other members include: a representative from all participating Boards of Township Trustees; the Mayor or a Council member of each participating incorporated village; two representatives from the City of Van Wert, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission are representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representatives as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The County made \$2,500 in contributions during 2022 for the operations of the Commission. The Commission is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The Commission is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the Commission located at 121 East Main Street, Van Wert, Ohio 45891.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board)

The Tri County Mental Health Board is a jointly governed organization among Mercer, Paulding and Van Wert counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Mercer, Paulding and Van Wert counties in the same proportion as the County's population bears to the total population of the three counties combined. The majority of the Tri County Mental Health Board's revenue comes from a property tax levied by the Tri County Mental Health Board. During 2022, the tax levy provided \$564,210 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Tri County Mental Health Board. There were no County contributions.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio

The Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC) is a jointly governed organization between the City and the County. The general purpose of the CIC is to pursue and maintain economic development within the County. The CIC is governed by a Board of Trustees made up of fifteen members, who include: three elected or appointed officers of the City, to be designated annually by the City Council; three elected or appointed officers of the County, to be designated annually by the Board of County Commissioners; six people to be designated annually by the Board of Trustees of The Van Wert Area Chamber of Commerce; the President of the Van Wert Industrial Development Corporation (in ex officio status); and two people who are residents of the County, to be elected at the annual meeting of the members by a majority of the members listed previously. During 2022, the County contributed \$3,000 to the CIC.

Van Wert County Council on Aging, Inc.

The Van Wert County Council on Aging, Inc. (the Council) is a jointly governed organization among the County, the City of Van Wert, neighboring townships, and local related organizations. The Council was formed to secure and maintain maximum independence and dignity for older persons (1) in a home environment for older persons capable of self-care with appropriate supportive services by providing such services and to remove individual and social barriers to economic and personal independence, (2) in a home-like environment for older persons not capable of self-care with adequate institutional situations by providing assistance to these institutions in developing policy. The Board of Directors consists of thirteen members, who represent, as nearly as possible, a cross section of the entire county population. Representatives of local health services, low-income persons, the clergy, government officials, consumers and other concerned citizens shall be appointed to the Board. The majority of the Council's revenue comes from a property tax levied by the Council. During 2022, the tax levy provided \$307,608 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Council. There were no County contributions.

Northwest Ohio Waiver Administration Council

The Northwest Ohio Waiver Administration Council (NOWAC) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. NOWAC is a council of governments directed by a seven-member Board of Council Members. The Board consists of the Superintendents of the member County Boards of Developmental Disabilities (County Boards of DD). The member County Boards of DD include: Defiance, Fulton, Henry, Paulding, Putnam, Van Wert and Williams Counties.

NOWAC provides quality assurance reviews for various member County Boards of DD residential programs and also administers the residential programs for Defiance, Van Wert and Williams County Boards of DD. NOWAC provides investigation of Major Unusual Incidents (MUIs) for the Defiance, Henry, Fulton, Paulding, Van Wert, and Williams County Boards of DD.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 16 – INSURANCE POOLS

Midwest Pool Risk Management Agency, Inc.

The Midwest Pool Risk Management Agency, Inc., (the Pool) is an Ohio nonprofit corporation established by five counties for the purpose of establishing a risk-sharing insurance program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by the Pool. Coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' error and omissions liability insurance. Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Pool are managed by an elected board of not more than five 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 the Pool is limited to its voting authority and any representation it may have on the board of trustees.

The County Commissioners' Association of Ohio Service Corporation

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program 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 an insurance 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 the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

The Ohio School Plan

Ohio School Plan - The County participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP was created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the sole purpose of enabling members of the OSP to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs and other administrative services.

The OSP's business and affairs are conducted by a 12-member Board of Directors consisting of school district superintendents and treasurers. The OSP has an agreement with Hylant Administrative Services, LLC to provide underwriting, claims management, risk management, accounting, system support services, sales and marketing to the OSP. Hylant Administrative Services, LLC also coordinates reinsurance brokerage services for the OSP.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 16 – INSURANCE POOLS (Continued)

County Employee Benefits Consortium of Ohio

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

The business and affairs of the consortium are governed by a board comprised of elected representatives of counties that participate in the program. Directors are commissioners of member counties. Each member of the consortium is entitled to one vote at the annual meeting to elect the governing board.

NOTE 17 – FISCAL AGENT RELATIONSHIPS

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

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

Van Wert County General Health District

The five-member Board of Health is appointed by the District Advisory Council. The District Advisory Council is comprised of the president of the board of county commissioners, the chief executive of each municipal corporation not constituting a city health district, and the chairperson of the board of township trustees of each township. Financial information can be obtained from Daryl L. Dowdy, Health Commissioner 1179 Westwood Dr, Ste 300, Van Wert, Ohio 45891.

Soil and Water Conservation District (SWCD)

A five-member, publicly elected Board of Supervisors, governs the SWCD. They are elected to a three-year term with no limits. They adopt their own budget and control their separate operations. Financial information can be obtained from Becky Dowler, Office Manager, 1185 Professional Drive, Van Wert, OH 45891.

Van Wert County Park District

A three-member board appointed by the probate judge governs the Park District. They are elected to three-year terms. They adopt their own budget and control their separate operations. Financial information can be obtained from the Van Wert County Park District at 1185 Professional Drive, Van Wert, OH 45891.

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 17 – FISCAL AGENT RELATIONSHIPS (Continued)

Regional Planning Commission

The Regional Planning Commission is also not part of the County reporting entity although it is presented as custodial funds within the County’s financial statements.

NOTE 18 – CONTRACTUAL COMMITMENTS

The County had the following commitments at December 31, 2022:

Company	Purpose	Contract	Spent	Balance
Ohio City Corporation	Street Resurface/Pavement Project	\$ 255,502	\$23,100	\$ 232,402
Village of Middlepoint	Waterline Replacement Project	140,000	0	140,000
Willshire Township	H2O Treat Plant Equipment	250,000	0	250,000
Van Wert Regional Airport	Runway Extension Project	420,000	0	420,000
City of Van Wert	Water Meter Replacement Project	400,000	0	400,000
Village of Conway	Sanitary Sewer Rehab	250,000	0	250,000
		<u>\$ 1,715,502</u>	<u>\$ 23,100</u>	<u>\$ 1,692,402</u>

NOTE 19 – COMPLIANCE

Ohio Administrative Code Section 117-2-03(B) requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP). For 2022, the County prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standard Board Statement No. 34, report on the basis of cash receipts and cash disbursements rather than GAAP. The accompanying financial statements and notes omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

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Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 20 – FUND BALANCE

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

	General	Motor Vehicle and Gas Tax	Thomas Edison	Brumback Library	Other Governmental Funds	Total
Nonspendable						
Unclaimed Monies	\$6,242	\$0	\$0	\$0	\$0	\$6,242
Total Nonspendable	6,242	-	-	-	-	6,242
Restricted for						
Development Disabilities Job and Family/Children Services/CSEA	-	-	3,627,382	-	-	3,627,382
Motor Vehicle & Gas Tax	-	1,985,580	-	-	632,850	1,985,580
Library Services	-	-	-	1,767,646	-	1,767,646
Ditch Maintenance	-	-	-	-	1,342,699	1,342,699
Debt Service	-	-	-	-	38,968	38,968
Capital Projects	-	-	-	-	10,500	10,500
Coronavirus Relief	-	-	-	-	412,033	412,033
Real Estate Assessment	-	-	-	-	892,740	892,740
Other Purposes	-	-	-	-	2,137,069	2,137,069
Total Restricted	-	1,985,580	3,627,382	1,767,646	5,466,859	12,847,467
Committed						
Building and Grounds Improvement	-	-	-	-	105,284	105,284
Assigned						
Next Year Appropriations	6,796,617	-	-	-	-	6,796,617
Outstanding Encumbrances	2,054,489	-	-	-	-	2,054,489
Total Assigned	8,851,106	-	-	-	-	8,851,106
Unassigned	1,062,176	-	-	-	-	1,062,176
Total	9,919,524	\$1,985,580	\$3,627,382	\$1,767,646	\$5,572,143	\$22,872,275

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 20 – FUND BALANCE (Continued)

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

Encumbrances as of year-end were:

Fund	Assigned	Restricted
General	\$2,054,489	\$ -
Motor Vehicle and Gas Tax	-	209,206
Thomas Edison	-	208,727
Brumback Library	-	6,049
Non-Major Governmental Funds	-	242,135
Totals	\$2,054,489	\$666,117

NOTE 21 – CHANGES IN ACCOUNTING PRINCIPLES

For 2022, GASB Statement No. 87, *Leases* was effective. This GASB pronouncement had no effect on beginning net position/fund balance. The County has various leases for copiers, office space and vehicles. Disclosures related to leases can be found in Note 10.

For 2022, GASB Statement No. 91, *Conduit Debt Obligations* was effective. This GASB pronouncement had no effect on beginning net position/fund balance. Disclosures related to conduit debt can be found in Note 11.

NOTE 22 – TAX ABATEMENT DISCLOSURES

As of December 31, 2022, the County provides tax incentives under the Van Wert County Enterprise Zone. Ohio Revised Code Section 5709.61 through 5709.69 has authorized counties to designate areas as Enterprise Zones and to execute agreements with certain enterprises for the purpose of establishing, expanding, renovating or occupying facilities and hiring new employees and preserving jobs within said zones in exchange for specified local tax incentives granted by the county. Through the Van Wert County Enterprise Zone, an exemption can be offered to effectively abate up to 100 percent local real property taxes for a period of up to 15 years. The local school board must agree to any abatement over 75% prior to the company going forward with the qualifying project. The Enterprise Zone Program is reserved for manufacturing, distribution or service-related projects only. Retail can apply through the CRA program. All of the City of Van Wert is within an established Enterprise Zone.

	Total
	Taxes
	Abated
Enterprise Zone Agreement	\$109,582

Van Wert County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 23 - CONTINGENT LIABILITIES

Grants

The County has received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such 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, would be immaterial.

Litigation

The County was party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County management is of the opinion that the ultimate disposition will not have a material effect on the financial statements.

Pandemic

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in May 2023. During 2022, the County received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. During 2022, the County received \$2,746,044 in COVID-19 relief.

During 2022, the General Fund billed the Local Coronavirus Relief Fund \$2,710,744 for salary reimbursements and lost revenue for the prior year. The General Fund is reflecting this receipt of \$2,710,744 as Miscellaneous Revenue in the accompanying financial statements.

VAN WERT COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>(Passed Through Ohio Department of Education)</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A		2,075
National School Lunch Program	10.555	N/A		3,426
Total Child Nutrition Cluster				<u>5,501</u>
<i>(Passed Through Ohio Department of Job and Family Services)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSCF122 / 123 / 822 / 823		197,329
Total SNAP Cluster:				<u>197,329</u>
Total U.S. Department of Agriculture				<u>202,830</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>(Passed Through Ohio Department of Development)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BX-20-1CV-1		445,541
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BF-20-1CV-1		75,075
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BD-20-1CV-3		57,154
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BD-20-1CV-4		169,440
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	BX-21-1CV-1		485,263
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>1,232,473</u>
HOME Investment Partnerships Program	14.239	BC-21-1CV-2		16,004
HOME Investment Partnerships Program	14.239	BC-21-1CV-1		133,133
Total HOME Investment Partnerships Program				<u>149,137</u>
Total U.S. Department of Housing and Urban Development				<u>1,381,610</u>
U.S. DEPARTMENT OF LABOR				
<i>(Passed Through Ohio Department of Job & Family Services)</i>				
Unemployment Insurance	17.225	N/A		14,048
WIOA Cluster:				
WIOA - Adult Program	17.258	N/A		47,333
WIOA - Youth Activities	17.259	N/A		17,362
WIOA - Dislocated Worker Formula Grants	17.278	N/A		33,074
Total WIOA Cluster:				<u>97,769</u>
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	N/A		980
Total U.S. Department of Labor				<u>112,797</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>(Passed Through Department of Public Safety)</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	69A37521300004020OH0		8,375
Total Highway Safety Cluster:				<u>8,375</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	69A3752130000160OHA		10,543
Total U.S. Department of Transportation				<u>18,918</u>
U.S. DEPARTMENT OF THE TREASURY				
<i>(Direct)</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		5,060,055
Total U.S. Department of The Treasury				<u>5,060,055</u>
U.S. ELECTION ASSISTANCE COMMISSION				
<i>(Passed Through Ohio Secretary of State)</i>				
HAVA Election Security Grants	90.404	EACELSEC180H		8,001
Total U.S. Election Assistance Commission				<u>8,001</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>(Passed Through Ohio Department of Job & Family Services)</i>				
Promoting Safe and Stable Families	93.556	JFSCMC23 JFSCPF22/23		11,196

VAN WERT COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Temporary Assistance for Needy Families	93.558	JFSCTF22/23		871,216
Child Support Enforcement	93.563	JFSFC22/23 JFSFC22I		490,237
CCDF Cluster:				
Child Care and Development Block Grant	93.575	JFSCCD22 / 23	13,176	13,176
Total CCDF Cluster:			13,176	13,176
Stephanie Tubbs Jones Child Welfare Services Program	93.645	JFSCCW22/23		34,285
Foster Care Title IV-E	93.658	JFSFCF22 / 23		124,823
Adoption Assistance	93.659	JFSCAA22 / 23		55,143
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	JFSCIL22		7,160
<i>(Passed Through Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	93.667	JFSCSS22/23		21,183
<i>(Passed Through Ohio Department of Job & Family Services)</i>				
Social Services Block Grant	93.667	JFSCSS22 / 23 JFSCTX22 / 23		307,691
Total Social Services Block Grant				328,874
Elder Abuse Prevention Interventions Program	93.747	JFSCEA21		160
<i>(Passed Through Ohio Department of Developmental Disabilities)</i>				
Medicaid Cluster:				
Medical Assistance Program	93.778	MCDFMT22 / 23		720
<i>(Passed Through Ohio Department of Job & Family Services)</i>				
Medical Assistance Program	93.778	MCDFMT22 / 23		322,123
Total Medicaid Cluster:				322,843
Total U.S Department of Health and Human Services				2,259,113
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>(Passed Through Ohio Department of Public Safety)</i>				
Hazard Mitigation Grant Program	97.039	FEMA-DR-4360-OH		4,329
Emergency Management Performance Grants	97.042	FY21 EMPG Grant		40,930
Total U.S. Department of Homeland Security				45,259
Total Expenditures of Federal Awards			13,176	9,088,583

The accompanying notes are an integral part of this schedule.

VAN WERT COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Van Wert County (the County) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in 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, except expenditures passed through Ohio Department of Job and Family Services for the WIOA Cluster which are presented on an accrual basis. 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 Ohio Department of Job and Family Services to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the County reports expenditures of Federal awards to sub-recipients when paid in cash, except expenditures passed through Ohio Department of Job and Family Services for the WIOA Cluster are presented on an accrual basis.

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients 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 program income account as of December 31, 2022 is \$393,429.

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.

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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

Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 9, 2023, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the County.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

County's Response to Findings

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

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.



Robert R. Hinkle, CPA, CGFM
Chief Deputy Auditor
Columbus, Ohio

November 9, 2023

**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**

Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on COVID-19 Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Van Wert County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Van Wert County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions 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.

Matter Giving Rise to Qualified Opinion on COVID-19 Coronavirus State and Local Fiscal Recovery Funds

As described in finding 2022-002 in the accompanying schedule of findings, the County did not comply with requirements regarding period of performance applicable to its AL#21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds major federal program.

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

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.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2022-002, to be a material weakness.

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

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

Van Wert County
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
Page 4

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.

A handwritten signature in black ink, appearing to read "Robert R. Hinkle". The signature is fluid and cursive, with a large initial "R" and "H".

Robert R. Hinkle, CPA, CGFM
Chief Deputy Auditor
Columbus, Ohio

November 9, 2023

VAN WERT 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)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(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	Qualified – COVID-19 Coronavirus State and Local Fiscal Recovery Funds – AL #21.027 Unmodified - Child Support Enforcement – AL #93.563
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds – AL #21.027 Child Support Enforcement - AL #93.563
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2022-001

Noncompliance – Not Filing in Accordance with GAAP

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

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

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

Pursuant to Ohio Rev. Code § 117.38 the County and Land Reutilization Corporation may be fined and subject to various other administrative remedies for the failure to file the required financial report. Failure to report on a GAAP basis compromises the County's and Land Reutilization Corporation's ability to evaluate and monitor the overall financial condition of the County and Land Reutilization Corporation. To help provide the users with more meaningful financial statements, the County and Land Reutilization Corporation should prepare annual financial statements according to generally accepted accounting principles.

Officials' Response

Because of the savings, and no significant and quantifiable advantage of using GAAP over OCBOA, there is no anticipation of going back to GAAP at this time.

3. FINDINGS FOR FEDERAL AWARDS

Period of Performance

Finding Number:	2022-002
Assistance Listing Number and Title:	AL# 21.027 COVID -19 Coronavirus State and Local Fiscal Recovery Funds
Federal Award Identification Number / Year:	2021
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Period of Performance
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

Material Weakness and Noncompliance

2 CFR § 1000 gives regulatory effect to the Department of the Treasury for 2 CFR Part 200.

FINDING NUMBER 2022-002
(Continued)

2 CFR § 200.1 states, in part, that the term “Period of performance” means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per § 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

2 CFR § 200.211(b)(5) states, in part, that the Federal awarding agency must include the following general Federal award information in each Federal award the Period of Performance Start and End Date.

The period of performance for the award under the Coronavirus State and Local Fiscal Recovery begins on the date the awards are issued (i.e., the date funds are disbursed to recipients) and ends on December 31, 2026. Recipients may only use funds to cover costs incurred after March 3, 2021, and ending on December 31, 2024. Recipients must liquidate all obligations incurred by December 31, 2024, under the award no later than December 31, 2026, which is the end of the period of performance. 2021 Treasury SLFRF Compliance Supplement Addendum 1, 21.027; 2022 OMB Compliance Supplement, Part 4, 21.027.

The County reimbursed payroll for all of fiscal year 2021 General Fund gross wages, using Coronavirus State and Local Fiscal Recovery funds, which included pay dates prior to March 3, 2021. The total gross wages reimbursed prior to March 3, 2021, was \$791,703.

Expenditures paid from federal funds outside the period of performance could result in federal questioned costs and follow-up action taken by the grantor agency, which may result in loss of future federal funding. The County should establish and implement procedures to verify that only expenditures incurred during the period of performance are charged to federal awards. Noncompliance with grant requirements could have an adverse effect on future grant awards by the awarding agency in addition to an inaccurate assessment of major federal programs that would be subjected to audit.

Officials’ Response

The Corrective action plan will be to follow the period of performance going forward in order to not have this reoccur again in the future. The County management will review all grant documents to make sure they are in compliance with the requirements. Van Wert County adopted the Standard Allowance for revenue loss up to \$10 million for the ARPA funds. Lost revenue dates will be reviewed in the future to ensure supporting documents are also in Compliance with the grant requirements.

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Van Wert County Auditor

Jami Bradford

Courthouse

121 East Main Street, Room 201

Van Wert, OH 45891

Phone: 419-238-0843

Fax: 419-238-1111



**Summary Schedule of Prior Audit Findings
2 CFR 200.511 (b)
December 31, 2022**

Finding Number	Finding Summary	Status	Addition Information
2021-001	Ohio Rev. Code 117.38 and Ohio Admin Code 117-2-03 (B) – Failure to file GAAP First reported in 2019-001	Not Corrected Repeated as Findings 2022-001	Because of the savings, and no significant and quantifiable advantage of using GAAP over OCBOA, there is no anticipation of going back to GAAP at this time.
2021-002	2. C.F.R. Subpart F § 200.510(b) – Accuracy of Federal Schedule	Not Fully Corrected	Repeated in the Management Letter

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Van Wert County Auditor

Jami Bradford

Courthouse

121 East Main Street, Room 201

Van Wert, OH 45891

Phone: 419-238-0843

Fax: 419-238-1111



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

Finding Number:	2022-001
Planned Corrective Action:	Because of the savings, and no significant and quantifiable advantage of using GAAP over OCBOA, there is no anticipation of going back to GAAP at this time.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Jami Bradford, County Auditor
Finding Number:	2022-002
Planned Corrective Action:	The Corrective action plan will be to follow the period of performance going forward in order to not have this reoccur again in the future. The County management will review all grant documents to make sure they are in compliance with the requirements. Van Wert County adopted the standard allowance for revenue loss up to \$10 million for the ARPA funds. Lost revenue dates will be reviewed in the future to ensure supporting documents are also in compliance with grant requirements.
Anticipated Completion Date:	12/31/2023
Responsible Contact Person:	Jami Bradford, County Auditor

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OHIO AUDITOR OF STATE KEITH FABER



VAN WERT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/28/2023

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

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