OHIO AUDITOR OF STATE
KEITH FABER

JACKSON COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Jackson County
226 East Main Street
Jackson, Ohio 45640

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, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2022, and the respective changes in modified cash-basis financial position thereof and the respective budgetary comparison for the General, Motor Vehicle License Gasoline Tax, Job and Family Services, Developmental Disabilities, and Local Fiscal Recovery 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.

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 June 12, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

June 12, 2024

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

	Primary Government	Component Units	
	Governmental Activities	Jackson County Airport Authority	Jackson County Land Reutilization Corporation
Assets			
Equity in Pooled Cash and Cash Equivalents	$21,697,260	$118,192	$406,349
Cash and Cash Equivalents in Segregated Accounts	403,976	0	0
Total Assets	$22,101,236	$118,192	$406,349
Net Position			
Restricted for:			
Unclaimed Monies	$175,404	$0	$0
Road Improvements	964,067	0	0
Human Services	1,748,092	0	0
Developmental Disabilities	3,548,528	0	0
Public Safety	1,800,146	0	0
Emergency Medical Services	523,853	0	0
Real Estate Assessment	557,812	0	0
Economic Development	570,974	0	0
Emergency Management	90,877	0	0
Court Operations	1,646,417	0	0
Dog and Kennel Operations	159,456	0	0
Clean Ohio	60	0	0
Local Fiscal Recovery	2,017,847	0	0
Election Operations	32,480	0	0
Elections Security	5,239	0	0
County Employee Wellness	4,964	0	0
Drug Prevention Program	41,818	0	0
Debt Service	6,190	0	0
Unrestricted	8,207,012	118,192	406,349
Total Net Position	$22,101,236	$118,192	$406,349

See accompanying notes to the basic financial statements

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

		Program Receipts				Component Units	
	Disbursements	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Total	Jackson County Airport Authority	Jackson County Land Reutilization Corporation
Governmental Activities							
General Government:							
Legislative and Executive	$4,065,982	$2,342,252	$141,643	$0	($1,582,087)	$0	$0
Judicial	3,652,841	1,418,090	580,501	0	(1,654,250)	0	0
Public Safety	4,767,586	501,464	839,833	0	(3,426,289)	0	0
Public Works	6,942,168	46,351	4,774,984	0	(2,120,833)	0	0
Public Works - Intergovernmental	800,000	0	800,000	0	0	0	0
Health	6,813,973	1,640,477	2,170,125	0	(3,003,371)	0	0
Human Services	10,766,383	1,264,427	7,821,478	0	(1,680,478)	0	0
Economic Development	834,495	0	625,550	0	(208,945)	0	0
Capital Outlay	2,429,089	26,400	0	1,718,328	(684,361)	0	0
Debt Service:							
Principal Retirement	489,560	0	0	0	(489,560)	0	0
Interest and Fiscal Charges	46,292	0	0	0	(46,292)	0	0
Total Governmental Activities	41,608,369	7,239,461	17,754,114	1,718,328	(14,896,466)	0	0
Component Units							
Jackson County Airport Authority	251,610	172,164	50,000	0	0	(29,446)	0
Jackson County Land Reutilization Corporation	148,254	0	108,334	0	0	0	(39,920)
Total Component Units	$399,864	$172,164	$158,334	$0	0	(29,446)	(39,920)
General Receipts							
Property Taxes Levied for:							
General Purposes					2,098,395	0	0
Emergency Medical Services					1,678,029	0	0
Developmental Disabilities					1,905,829	0	0
Children Services					1,031,503	0	0
Sales Taxes Levied for:							
General Purposes					2,351,834	0	0
Public Safety					2,351,820	0	0
Grants and Entitlements not Restricted to Specific Programs					3,537,610	0	0
Interest					318,132	0	0
Insurance Recoveries					35,142	0	0
Inception of Capital Lease					673,766	0	0
Proceeds of Loans					782,278	0	0
Other Receipts					693,036	3,689	86,861
Sale of Fixed Assets					229,850	0	0
Total General Receipts					17,687,224	3,689	86,861
Change in Net Position					2,790,758	(25,757)	46,941
Net Position at Beginning of Year					19,310,478	143,949	359,408
Net Position at End of Year					$22,101,236	$118,192	$406,349

See accompanying notes to the basic financial statements

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Jackson County, Ohio

Statement of Modified Cash Basis Assets, Liabilities and Fund Balances
Governmental Funds
December 31, 2022

	General	Motor Vehicle Gasoline Tax	Job and Family Services	Developmental Disabilities
Assets				
Equity in Pooled Cash and Cash Equivalents	$5,421,899	$960,820	$79,100	$3,548,528
Restricted Cash and Cash Equivalents	175,404	0	0	0
Cash and Cash Equivalents in Segregated Accounts	89,135	3,247	0	0
Total Assets	$5,686,438	$964,067	$79,100	$3,548,528
Fund Balances				
Nonspendable	$175,404	$0	$0	$0
Restricted	0	964,067	79,100	3,548,528
Committed	879,258	0	0	0
Assigned	533,598	0	0	0
Unassigned	4,098,178	0	0	0
Total Assets and Fund Balances	$5,686,438	$964,067	$79,100	$3,548,528

See accompanying notes to the basic financial statements

Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
$2,017,847	$9,493,662	$21,521,856
0	0	175,404
0	311,594	403,976
$2,017,847	$9,805,256	$22,101,236
$0	$0	$175,404
2,017,847	7,109,278	13,718,820
0	196,024	1,075,282
0	2,499,954	3,033,552
0	0	4,098,178
$2,017,847	$9,805,256	$22,101,236

Jackson County, Ohio
Statement of Modified Cash Receipts, Cash Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Motor Vehicle Gasoline Tax	Job and Family Services
Receipts			
Property Taxes	$2,098,395	$0	$0
Sales Taxes	2,351,834	0	0
Intergovernmental	3,788,793	5,149,072	4,673,193
Charges for Services	1,921,699	0	1,135,474
Fines, Licenses, and Permits	270,621	46,351	0
Rent	0	0	0
Loan Revenue	0	0	0
Donations	0	0	0
Interest	318,132	2,562	0
Other	191,902	83,353	968
Total Receipts	10,941,376	5,281,338	5,809,635
Disbursements			
Current:			
General Government:			
Legislative and Executive	2,597,682	0	0
Judicial	2,612,068	0	0
Public Safety	1,426,094	0	0
Public Works	616,327	5,757,198	0
Health	269,091	0	0
Human Services	472,993	0	5,938,061
Economic Development	0	0	0
Capital Outlay	0	673,766	0
Debt Service:			
Principal Retirement	0	352,982	0
Interest and Fiscal Charges	0	20,428	0
Intergovernmental	0	0	0
Total Disbursements	7,994,255	6,804,374	5,938,061
Excess of Receipts Over (Under) Disbursements	2,947,121	(1,523,036)	(128,426)
Other Financing Sources (Uses)			
Sale of Fixed Assets	229,850	0	0
Advances In	0	0	0
Transfers In	0	0	0
Insurance Recoveries	35,142	0	0
Inception of Capital Lease	0	673,766	0
Proceeds of Loans	0	197,866	0
Advances Out	(10,496)	0	0
Transfers Out	(1,965,170)	(32,191)	0
Total Other Financing Sources (Uses)	(1,710,674)	839,441	0
Net Change in Fund Balances	1,236,447	(683,595)	(128,426)
Fund Balances at Beginning of Year	4,449,991	1,647,662	207,526
Fund Balances at End of Year	$5,686,438	$964,067	$79,100

See accompanying notes to the basic financial statements

Developmental Disabilities	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
$1,905,829	$0	$2,709,532	$6,713,756
0	0	2,351,820	4,703,654
2,077,931	906,457	6,174,142	22,769,588
0	0	2,692,629	5,749,802
0	0	1,171,787	1,488,759
0	0	900	900
0	0	171,851	171,851
24,364	0	29,547	53,911
0	0	12,140	332,834
8,079	0	408,734	693,036
4,016,203	906,457	15,723,082	42,678,091
0	637,140	831,160	4,065,982
0	0	1,040,773	3,652,841
0	0	3,341,492	4,767,586
0	516,200	52,443	6,942,168
3,411,476	0	3,133,406	6,813,973
0	17,581	4,337,748	10,766,383
0	65,612	768,883	834,495
0	0	1,755,323	2,429,089
0	0	136,578	489,560
0	0	25,864	46,292
0	800,000	0	800,000
3,411,476	2,036,533	15,423,670	41,608,369
604,727	(1,130,076)	299,412	1,069,722
0	0	0	229,850
0	0	10,496	10,496
0	0	2,597,361	2,597,361
0	0	0	35,142
0	0	0	673,766
0	0	584,412	782,278
0	0	0	(10,496)
0	0	(600,000)	(2,597,361)
0	0	2,592,269	1,721,036
604,727	(1,130,076)	2,891,681	2,790,758
2,943,801	3,147,923	6,913,575	19,310,478
$3,548,528	$2,017,847	$9,805,256	$22,101,236

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Property Taxes	$2,245,625	$2,070,647	$2,070,647	$0
Sales Taxes	1,900,000	2,351,834	2,351,834	0
Intergovernmental	1,107,964	3,788,793	3,788,793	0
Charges for Services	1,078,113	1,923,565	1,923,565	0
Fines, Licenses, and Permits	337,230	283,141	283,141	0
Interest	15,000	256,736	256,736	0
Other	380,094	191,902	191,902	0
Total Receipts	7,064,026	10,866,618	10,866,618	0
Disbursements				
Current:				
General Government:				
Legislative and Executive	2,002,126	2,598,006	2,598,006	0
Judicial	2,385,273	2,612,068	2,612,068	0
Public Safety	1,241,978	1,426,094	1,426,094	0
Public Works	334,739	616,326	616,326	0
Health	289,676	269,091	269,091	0
Human Services	475,529	472,993	472,993	0
Total Disbursements	6,729,321	7,994,578	7,994,578	0
Excess of Receipts Over Disbursements	334,705	2,872,040	2,872,040	0
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	229,850	229,850	0
Insurance Recoveries	0	35,142	35,142	0
Advances Out	0	(10,496)	(10,496)	0
Transfers Out	(594,917)	(1,965,170)	(1,965,170)	0
Total Other Financing Sources (Uses)	(594,917)	(1,710,674)	(1,710,674)	0
Net Change in Fund Balance	(260,212)	1,161,366	1,161,366	0
Fund Balance at Beginning of Year	4,278,729	4,278,729	4,278,729	0
Prior Year Encumbrances Appropriated	9,326	9,326	9,326	0
Fund Balance at End of Year	$4,027,843	$5,449,421	$5,449,421	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)

Motor Vehicle Gasoline Tax Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	$5,155,000	$5,149,072	$5,149,072	$0
Fines, Licenses, and Permits	36,000	47,552	47,552	0
Other	20,000	83,353	83,353	0
Total Receipts	5,211,000	5,279,977	5,279,977	0
Disbursements				
Current:				
Public Works	5,405,603	5,757,198	5,757,198	0
Capital Outlay	0	673,766	673,766	0
Debt Service:				
Principal Retirement	344,489	352,982	352,982	0
Interest and Fiscal Charges	20,428	20,428	20,428	0
Total Disbursements	5,770,520	6,804,374	6,804,374	0
Excess of Receipts Under Disbursements	(559,520)	(1,524,397)	(1,524,397)	0
Other Financing Uses				
Proceeds of Loans	0	197,866	197,866	0
Inception of Capital Lease	0	673,766	673,766	0
Transfers Out	(60,236)	(32,191)	(32,191)	0
Total Other Financing Sources (Uses)	(60,236)	839,441	839,441	0
Net Change in Fund Balance	(619,756)	(684,956)	(684,956)	0
Fund Balance at Beginning of Year	1,643,214	1,643,214	1,643,214	0
Fund Balance at End of Year	$1,023,458	$958,258	$958,258	$0

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Receipts				
Intergovernmental	$5,549,000	$4,673,193	$4,673,193	$0
Charges for Services	225,000	1,135,474	1,135,474	0
Other	0	968	968	0
Total Receipts	5,774,000	5,809,635	5,809,635	0
Disbursements				
Current:				
Human Services	5,848,373	5,938,061	5,938,061	0
Net Change in Fund Balance	(74,373)	(128,426)	(128,426)	0
Fund Balance at Beginning of Year	207,526	207,526	207,526	0
Fund Balance at End of Year	$133,153	$79,100	$79,100	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)

Developmental Disabilities Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	$1,798,620	$1,881,313	$1,881,313	$0
Intergovernmental	1,634,368	1,988,328	1,988,328	0
Donations	0	24,364	24,364	0
Other	50,000	97,682	97,682	0
Total Receipts	3,482,988	3,991,687	3,991,687	0
Disbursements				
Current:				
Health	3,475,530	3,412,282	3,412,282	0
Excess of Receipts Over Disbursements	7,458	579,405	579,405	0
Other Financing Sources (Uses)				
Transfers In	15,000	0	0	0
Transfers Out	(15,000)	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	7,458	579,405	579,405	0
Fund Balance at Beginning of Year	2,882,663	2,882,663	2,882,663	0
Prior Year Encumbrances Appropriated	9,064	9,064	9,064	0
Fund Balance at End of Year	$2,899,185	$3,471,132	$3,471,132	$0

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)

Local Fiscal Recovery Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Receipts				
Intergovernmental	$0	$906,457	$906,457	$0
Disbursements				
Current:				
General Government:				
Legislative and Executive	0	637,140	637,140	0
Public Works	0	516,200	516,200	0
Human Services	0	17,581	17,581	0
Economic Development	0	65,612	65,612	0
Intergovernmental	0	800,000	800,000	0
Total Disbursements	0	2,036,533	2,036,533	0
Net Change in Fund Balance	0	(1,130,076)	(1,130,076)	0
Fund Balance at Beginning of Year	3,147,923	3,147,923	3,147,923	0
Fund Balance at End of Year	$3,147,923	$2,017,847	$2,017,847	$0

See accompanying notes to the basic financial statements

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

Assets	
Equity in Pooled Cash and Cash Equivalents	$2,441,768
Cash and Cash Equivalents in Segregated Accounts	666,519
Total Assets	$3,108,287
Net Position	
Restricted for Individuals, Organizations, and Other Governments	$3,108,287

See accompanying notes to the basic financial statements

Jackson County, Ohio

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

Additions	
Property Tax Collection for Other Governments	$21,550,652
Amounts Received as Fiscal Agent	2,852,786
Fines, Licenses, and Permits for Other Governments	5,301,291
Intergovernmental Receipts	6,573,945
Contributions from Individuals	1,443,050
Total Additions	37,721,724
Deductions	
Distributions to the State of Ohio	4,646,593
Distributions of State Funds to Other Governments	6,574,035
Property Tax Distributions to Other Governments	21,295,765
Distributions of Fines, Licenses, and Permits for Other Governments	658,206
Disbursements to Individuals	1,298,747
Distributions as Fiscal Agent	3,006,225
Total Deductions	37,479,571
Increase in Fiduciary Net Position	242,153
Net Position at Beginning of Year	2,866,134
Net Position at End of Year	$3,108,287

See accompanying notes to the basic financial statements

Note 1 – Description of the County and Reporting Entity

Jackson County, Ohio (the "County"), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as the chief fiscal officer. In addition, there are ten other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and the Common Pleas/Probate, Juvenile, and Municipal Court Judges.

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

The financial reporting entity consists of the primary government, component units, and other governmental organizations 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 Jackson County, this includes the Board of Developmental Disabilities, Children Services Board, and all departments and activities that are directly operated by the elected County Officials.

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

Discretely Presented Component Units

The component unit columns on the financial statements identify the financial data of the Jackson County Airport Authority and the Jackson County Land Reutilization Corporation. The component units are reported separately to emphasize that they are legally separate from the County. Information about the component units is presented in Notes 22 and 23 to the basic financial statements.

Jackson County Airport Authority The Jackson County Airport Authority (the Authority) was created by resolution of the County Commissioners under Ohio Revised Code Section 308.01. The purpose of the Authority is for the acquisition, construction, operation, and maintenance of the airport and its facilities in Jackson County. The Authority operates under the direction of a nine-member Board of Trustees, appointed by the County Commissioners. A Secretary-Treasurer is responsible for the fiscal accounting of the resources of the Authority. Services provided by the Authority include the means by which to aid the safe taking off and landing of aircraft, storage and maintenance of aircraft, and the safe and efficient operation of the airport. The Authority is considered to be a component unit of Jackson County and is discretely presented. The nature and significance of the relationship between the County and the Authority is such that exclusion would cause the County's financial statements to be misleading. The Authority operates on a fiscal year ending on December 31.

Jackson County Land Reutilization Corporation The Jackson County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on April 4, 2017, when the Jackson County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution number 62-17 as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Jackson County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed, and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is considered to be a component unit of Jackson County and is discretely presented. The nature and significance of the relationship between the County and the Corporation is such that exclusion would cause the County's financial statements to be misleading. The Corporation operates on a fiscal year ending on December 31.

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 is presented as custodial funds within the County's financial statements:

The Jackson County Combined General Health District The District is governed by the Board of Health which oversees the operation of the District and is elected by a Regional Advisory Council composed of township trustees, mayors of participating municipalities, and one County Commissioner. The District adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and Federal grants applied for by the District.

Jackson County Soil and Water Conservation District The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to conduct and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Joint Venture

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) and ongoing financial responsibility. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

The County participates in several jointly governed organizations, a joint venture, and public entity risk pools. These organizations are presented in Notes 14, 15, and 16 to the Basic Financial Statements. The organizations are:

Gallia, Jackson, Meigs, Vinton Solid Waste Management District
Gallia, Jackson, and Meigs Board of Alcohol, Drug Addiction, and Mental Health Services
Jackson-Vinton Community Action Agency
Ohio Valley Regional Development Commission
Regional Child Abuse Prevention Council
Southern Ohio Council of Governments
South Central Ohio Regional Juvenile Detention Center
County Risk Sharing Authority
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). General accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program 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 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.

B. Fund Accounting

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

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

> ***General Fund*** The General Fund accounts for and reports all financial resources not 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.

Motor Vehicle Gasoline Tax Special Revenue Fund The Motor Vehicle and Gasoline Tax Special Revenue Fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive license sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvement programs.

Job and Family Services Special Revenue Fund The Job and Family Services Special Revenue Fund accounts for various State and Federal grants used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Developmental Disabilities Special Revenue Fund The Developmental Disabilities Special Revenue Fund accounts for various State and Federal grants as well as property tax collections used to provide assistance to Jackson County residents that suffer from developmental disabilities.

Local Fiscal Recovery Special Revenue Fund The Local Fiscal Recovery Special Revenue Fund accounts for COVID-19 pandemic aid from the American Rescue Plan Grant.

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

Proprietary Funds The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service; the County has no proprietary funds.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. There are four categories of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The County did not have any trust funds in 2022. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as fiscal agent for the Board of Health and other districts and entities; for various taxes, assessments, fines and fees collected for the benefit of and distributed to other governments; for State shared resources received from the State and distributed to other local governments; and for various fines and fees collected and distributed through the courts for the benefit of others.

C. Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting (See Note 3). Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

As a result of this use of the 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.

D. Budgetary Process

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

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

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

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

During 2022, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Investment procedures are restricted by the provisions of the Ohio Revised Code, grant requirements, or debt related restrictions. Interest is credited to the General Fund, the Motor Vehicle Gas Tax, and the Community Development Block Grant Special Revenue Funds. Interest receipts credited to the General Fund during 2022 amounted to $318,132, which includes $246,370 assigned from other County funds.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by the creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

G. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are reported as “Interfund Receivables/Payables”. The amounts are eliminated on the statement of net position.

J. Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead disbursements from one program to another or within the same program 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. Repayments of funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

K. Accumulated Leave

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

L. Employer Contributions to Cost-Sharing Pension Plans

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

M. Long-Term Obligations

The County’s modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when cash is received, and principal and interest payments are reported when paid. Since recording a capital asset when entering into a 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. Financed purchase payments are reported when paid.

N. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***O. Pensions*/Other Postemployment Benefits (OPEB)**

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

P. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” 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 or enabling legislation (County resolutions).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from the excess of disbursements over receipts.

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

Note 3 – Accountability and Compliance

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

Note 4 – Fund Balances

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

Fund Balances	General	Motor Vehicle Gas Tax	Job and Family Services	Developmental Disabilities	Local Fiscal Recovery	Other Governmental Funds	Totals
Nonspendable:							
Unclaimed Monies	$175,404	$0	$0	$0	$0	$0	$175,404
Restricted for:							
Road Improvements	0	964,067	0	0	0	0	964,067
Human Services	0	0	79,100	0	0	1,668,992	1,748,092
Developmental Disabilities	0	0	0	3,548,528	0	0	3,548,528
Public Safety	0	0	0	0	0	1,800,146	1,800,146
Real Estate Assessment	0	0	0	0	0	557,812	557,812
Economic Development	0	0	0	0	0	570,974	570,974
Public Health	0	0	0	0	0	523,853	523,853
Emergency Management	0	0	0	0	0	90,877	90,877
Local Fiscal Recovery	0	0	0	0	2,017,847	0	2,017,847
Court Operations	0	0	0	0	0	1,646,417	1,646,417
Dog and Kennel Operations	0	0	0	0	0	159,456	159,456
Clean Ohio	0	0	0	0	0	60	60
Election Operations	0	0	0	0	0	32,480	32,480
Drug Preventrion Program	0	0	0	0	0	41,818	41,818
County Employee Wellness	0	0	0	0	0	4,964	4,964
Elections Security	0	0	0	0	0	5,239	5,239
Debt Service	0	0	0	0	0	6,190	6,190
Total Restricted	0	964,067	79,100	3,548,528	2,017,847	7,109,278	13,718,820
Committed to:							
Severance	199,171	0	0	0	0	0	199,171
27 Pays	330,000	0	0	0	0	0	330,000
Grant Match	350,000	0	0	0	0	0	350,000
Litter Trust	87	0	0	0	0	0	87
911 Enhancements	0	0	0	0	0	178,444	178,444
Radio Tower	0	0	0	0	0	16,750	16,750
Geographic Information Systems	0	0	0	0	0	830	830
Total Committed	879,258	0	0	0	0	196,024	1,075,282
Assigned to:							
Purchases on Order	324	0	0	0	0	0	324
2022 Appropriations	533,274	0	0	0		0	533,274
Capital Improvements	0	0	0	0	0	2,499,954	2,499,954
Total Assigned	533,598	0	0	0	0	2,499,954	3,033,552
Unassigned:	4,098,178	0	0	0	0	0	4,098,178
Total Fund Balances	$5,686,438	$964,067	$79,100	$3,548,528	$2,017,847	$9,805,256	$22,101,236

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and cash basis are as follows:

1. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (cash basis).

2. Segregated accounts and unrecorded cash and interest are reported on the balance sheet (cash basis), but not on the budgetary basis.

3. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (cash basis).

4. Cash that is held by the custodial funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (cash basis) in the appropriate County fund.

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Motor Vehicle and Gasoline Tax	Job and Family Services	Developmental Disabilities	Local Fiscal Recovery
Cash Basis	$1,236,447	($683,595)	($128,426)	$604,727	($1,130,076)
Expenditure Accrual	1	0	0	0	0
Beginning of Year:					
Segregated Accounts	103,521	4,448	0	0	0
Undistributed Agency	58,415	0	0	52,074	0
End of Year:					
Segregated Accounts	(89,135)	(3,247)	0	0	0
Unreported Interest	(61,396)	(2,562)	0	0	0
Undistributed Agency	(86,163)	0	0	(76,590)	0
Encumbrances	(324)	0	0	(806)	0
Budget Basis	$1,161,366	($684,956)	($128,426)	$579,405	($1,130,076)

Note 6 – Deposits and Investments

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

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

4. Bonds and other obligations of the State of Ohio or its political subdivisions;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations

described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

9. Up to forty percent of the County's average portfolio 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 and which mature within 270 days after purchase.

   b. Bankers acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of 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. All interest and principal shall be denominated and payable in United States funds.

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

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

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

Cash on Hand At year end, the County had $3,080 in undeposited cash on hand which is included as a part of "Equity in Pooled Cash and Cash Equivalents".

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

Investment Type	Fair Value	Maturity	Rating	Percentage of Portfolio
Federal Home Loan Bank Notes	$2,700,310	Less than five years	Aaa Moody's	11.74%
Federal Farm Credit Bank Notes	850,820	Less than five years	Aaa Moody's	3.70%
Federal Home Loan Mortgage Corporation Notes	0	Less than five years	Aaa Moody's	0.00%
Federal National Mortgage Association Notes	934,500	Less than five years	Aaa Moody's	4.06%
Federal Agricultural Mortgage Corporation	469,880	Less than five years	Aaa Moody's	2.04%
STAR Ohio	18,048,467	Average 31.9 Days	AAAm Standard & Poor's	78.46%
	$23,003,977			100.00%

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

Interest Rate Risk The County does not have an investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County's investment policy places no limit on the amount it may invest in any one issuer.

Note 7 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a one and one-half percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of all tangible personal property in the County, including motor vehicles, not subject to the sales tax. The sales tax is allocated fifty percent to the County's General Fund and fifty percent to the Sales Tax Trust Custodial Fund, from which the proceeds are distributed to the various taxing districts within the County for use on community improvement projects. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection.

The State Tax Commissioner certifies to the Office of Budget 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.

Note 8 – Property Taxes and Abatements

Property taxes include amounts levied against all real and public utility property 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 were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

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

The full tax rate for all County operations for the year ended December 31, 2022, was $13.00 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	$549,051,790
Public Utility Real	124,160
Public Utility Tangible Personal Property	342,231,240
Total Assessed Value	$891,407,190

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds.

For 2022, County property taxes were reduced by $24,965 under enterprise tax zone exemption agreements entered into by Jackson County.

Note 9 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the County contracted with the County Risk Sharing Authority, Inc. (CORSA), an insurance purchasing pool (see Note 16), for liability, auto, and crime insurance. CORSA, a non-profit corporation sponsored by the County Commissioners of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. Coverage provided by the program and applicable deductibles are as follows:

Property	Deductible	Limits of Coverage
Real Property	$2,500	$54,401,327
General Liability	2,500	1,000,000 Per Occurrence
Law Enforcement	2,500	1,000,000 Per Occurrence
Employee Benefits	2,500	1,000,000 Per Occurrence
Equipment Breakdown	2,500	100,000,000
Medical Expense	0	5,000/50,000
Errors and Omissions	2,500	1,000,000 Per Occurrence
Electronic Equipment/Media Coverage:		
Electronic Media	2,500	250,000 Per Occurrence
Extra Expense	2,500	25,000 Per Occurrence
Crime Coverage:		
Theft, Disappearance, Destruction	2,500	1,000,000 Per Occurrence
Money Orders and Counterfeit Currency	2,500	1,000,000 Per Occurrence
Public Dishonesty	2,500	1,000,000 Per Occurrence
Forgery and Alteration	2,500	1,000,000 Per Occurrence
Computer & Fund Transfer Fraud	2,500	500,000 Per Occurrence
Public Official Bond Excess	2,500	250,000 Per Occurrence
Automobile	2,500	1,000,000 Per Occurrence
Property in Transit	2,500	100,000 Per Occurrence

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year.

For 2022, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 16). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

The County pays all elected officials bonds by State statute.

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
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

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

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

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

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

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

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

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

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

*** 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.

For 2022, The County's contractually required contribution was $1,800,437 for the traditional plan, $6,060 for the combined plan and $36,500 for the member-directed plan.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

The County's contractually required contribution to STRS was $64,665 for 2022.

Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the County's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.08239800%	0.01594400%	0.00375384%	
Prior Measurement Date	0.08212200%	0.00780700%	0.00398191%	
Change in Proportionate Share	0.00027600%	0.00813700%	-0.00022807%	
Proportionate Share of the:				
Net Pension Liability	$7,168,959	$0	$479,962	$7,648,921
Net Pension Asset	0	(62,820)	0	(62,820)

Actuarial Assumptions - OPERS

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

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

	OPERS Traditional Plan	OPERS Combined Plan
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:

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

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

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

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

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

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

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

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent 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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$18,901,277	$7,168,959	($2,593,889)
OPERS Combined Plan	(46,875)	(62,820)	(75,256)

Actuarial Assumptions - STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2021 (the latest information available)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 201	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00%	

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	$898,789	$479,962	$126,054

Changes between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 11 – Defined Benefit OPEB Plans

Net OPEB Liability

See Note 10 for a description of the net pension liability.

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. 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 heath 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.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $9,328 for 2022.

Plan Description - State Teachers Retirement System (STRS)

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

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

OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. 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:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.0791170%	0.00375384%	
Prior Measurement Date	0.0783170%	0.00398191%	
Change in Proportionate Share	0.000800%	-0.0002281%	
Proportionate Share of the Net OPEB Asset	($2,478,066)	($79,242)	($2,557,308)

Actuarial Assumptions - OPERS

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

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

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

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

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	($1,457,335)	($2,478,066)	($3,325,288)

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	($2,504,844)	($2,478,066)	($2,446,298)

Actuarial Assumptions – STRS

All disclosures related to the actuarial assumptions relate to the amounts used for the net OPEB liability for STRS which was measured as of June 30, 2021 (the latest information available)

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County District's proportionate share of the net OPEB asset	($66,868)	($79,242)	($89,579)

	1% Decrease	Current Trend Rate	1% Increase
County District's proportionate share of the net OPEB asset	($89,160)	($79,242)	($66,978)

Note 12 – Long-Term Obligations

A schedule of changes in long-term obligations of the County during 2022 follows:

	Principal Outstanding 12/31/21	Additions	Deductions	Principal Outstanding 12/31/22	Amounts Due in One Year
Governmental Activities:					
2020 Records Building Loan 2.98%	$60,885	$0	$14,544	$46,341	$14,987
Ohio Public Works Loans:					
2017 Bridge Replacement - 0%	62,232	0	2,305	59,927	1,153
2018 Paving and Bridge Replacement - 0%	515,467	0	0	515,467	0
2019 Paving and Bridge Replacement - 0%	851,758	0	29,886	821,872	14,943
2020 Paving and Bridge Replacement - 0%	0	471,102	0	471,102	0
2021 Paving and Bridge Replacement - 0%	0	103,415	0	103,415	0
2022 Bridge Replacement and Paving - 0%	0	207,762	0	207,762	0
Total Loans from Direct Borrowings	1,429,457	782,279	32,191	2,179,545	16,096
2009 Various Purpose General Obligation Bonds:					
Term Bonds - 4.00%	125,000	0	60,000	65,000	65,000
Term Bonds - 4.50%	365,000	0	0	365,000	0
Total General Obligation Bonds From Direct Borrowings	490,000	0	60,000	430,000	65,000
Financed Purchase Agreements					
Engineer Dept. Dump Truck Lease	117,226	0	117,226	0	0
Asphalt Distributor Lease	123,579	0	39,845	83,734	41,178
Engineer Trucks	299,950	0	96,232	203,718	99,936
Sheriff Vehicles	61,012	0	61,012	0	0
John Deere Tractor	0	222,432	0	222,432	34,130
Western Star Vehicles	0	451,335	99,679	351,656	81,322
Total Financed Purcahses from Direct Borrowings	601,767	673,767	413,994	861,540	256,566
Total	$2,582,109	$1,456,046	$520,729	$3,517,426	$352,649

On August 26, 2009, the County issued unvoted Various Purpose General Obligation Bonds in the amount of $2,535,000. The general obligation bonds issued included serial and term bonds in the amounts of $1,850,000 and $685,000, respectively.

The Justice Center, Courthouse Portico, and the Courthouse Renovations portions will be retired from the General Bond Retirement Fund with transfers of property tax revenue from the General Fund. The Job and Family Services portion will be retired from the Job and Family Services Center Bond Retirement Fund with rental payments received from the Job and Family Services Special Revenue Fund and property tax revenues transferred from the General Fund. The Fair Board portion will be retired from the Fair Board Bond Retirement Fund from charges for services revenue from the Jackson County Fair Board. The Highway Garage, Track Hoe, Photo Mapping, and Engineer Building portion will be retired from the Motor Vehicle Gasoline Tax Bond Retirement Fund with license and gas tax revenue from the Motor Vehicle Gasoline Tax Special Revenue Fund. The Municipal Court portion will be retired from the Municipal Court Bond Retirement Fund with transfers of charges for services receipts from the Municipal Court Capital Improvements Fund. The Courts Computer portion will be retired from the Courts Computer Bond Retirement Fund with transfers of fines, licenses, and permits revenues from the Computer/Equipment Capital Improvements Fund.

Principal and interest requirements to retire the Various Purpose General Obligations Bonds outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Term Principal	Term Interest
2023	$65,000	$19,025
2024	65,000	16,425
2025	70,000	13,500
2026	75,000	10,350
2027	75,000	6,975
2028	80,000	3,600
	$430,000	$69,875

The term bonds, issued at $320,000, maturing December 1, 2023, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

December 1,	Amount
2023	$65,000

The term bonds, issued at $365,000, maturing December 1, 2028, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

December 31,	Amount
2024	$65,000
2025	70,000
2026	75,000
2027	75,000
2028	80,000
Total	$365,000

In 2020, the County obtained a loan from Vinton County National Bank for the construction of the Records Building in the amount of $75,000. Payments will be made from the Capital Improvement Fund. Principal and interest requirements to retire the Records Building Loan outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$14,987	$1,287	$16,274
2024	15,441	833	16,274
2025	15,913	360	16,273
	$46,341	$2,480	$48,821

On July 1, 2017, the County obtained a loan from Ohio Public Works Commission for initialization of project CO02U for bridge replacement 2017. Payments will be made from the Engineer’s MVGT fund.

In 2018, the County obtained a loan from Ohio Public Works Commission for initialization of a paving and bridge replacement project. The loan was approved for $841,344, with $481,251 being drawn down in 2018, $7,720 drawn down in 2019, and $26,496 drawn down in 2020. Payments and interest have not been determined due the fact that the loan is pending.

In 2019, the County obtained a loan from Ohio Public Works Commission for a paving and bridge replacement project. The loan has been approved for $973,570. As of December 31, 2020, $896,587 has been drawn down. Payments will be made from the Engineer’s MVGT fund.

In 2020, the County obtained a loan from Ohio Public Works Commission for initialization of a paving and bridge replacement project. The loan was approved for $622,446, with $471,102 being drawn down in 2022. Payments and interest have not been determined due the fact that the loan is pending."

In 2021, the County obtained a loan from Ohio Public Works Commission for initialization of a bridge replacement and paving project. The loan was approved for $521,057, with $103,415 being drawn down in 2022. Payments and interest have not been determined due the fact that the loan is pending."

In 2022, the County obtained a loan from Ohio Ohio Public Works Commission for a paving and bridge replacement project. The loan has been approved for $316,996 with $207,762 being drawn down in 2022. Payments have not been determined due the fact that the loan is pending.

Principal and interest requirements to retire the OPWC loans outstanding at December 31, 2022, are as follows:

Year Ending December 31,	OPWC CO02U	OPWC CO04W	Total
2023	$1,153	$14,943	$16,096
2024	2,305	29,886	32,191
2025	2,305	29,887	32,192
2026	2,305	29,887	32,192
2027	2,305	29,887	32,192
2028-2032	11,525	149,431	160,956
2033-2037	11,525	149,431	160,956
2038-2042	11,525	149,431	160,956
2043-2047	11,525	149,431	160,956
2048-2050	3,454	89,658	93,112
	$59,927	$821,872	$881,799

Financed Purchases

In prior years, the County entered into a financed purchase agreement for vehicles, with Mercedes-Benz Financial Services USA, in the amount of $560,538 to be repaid over five years. This agreement was entered into to provide three dump trucks to the Engineer Department where ownership of the underlying asset transfers to the County by the end of the contract. Financed purchase payments for 2020 were paid from the MVGT Fund. Principal and interest requirements were retired in 2022.

In 2020, the County entered into a financed purchase agreement for vehicles, with Wells Fargo Bank, in the amount of $206,113 to be repaid over five years. This agreement was entered into to provide an asphalt distributor to the Engineer Department where ownership of the underlying asset transfers to the County by the end of the contract.. Financed purchase payments for 2022 were paid from the MVGT Fund. Principal and interest requirements to retire the Engineer Department agreement outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$41,178	$2,803	$43,981
2024	42,556	1,425	43,981
Total	$83,734	$4,228	$87,962

In 2020, the County entered into a financed purchase with Mercedes-Benz Financial Services USA, in the amount of $495,571 to be repaid over five years. This agreement was entered into to provide 3 trucks to the Engineer Department where ownership of the underlying asset transfers to the County by the end of the contract. Financed purchase payments for 2022 were paid from the MVGT Fund. Principal and interest requirements to retire the Engineer Department agreement outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$99,936	$7,840	$107,776
2024	103,782	3,994	107,776
Total	$203,718	$11,834	$215,552

In 2020, the County entered into a financed purchase with AmeriCredit Financial Services, in the amount of $149,499 to be repaid over five years. This agreement was entered into to provide 5 vehicles to the Sheriff's Department where ownership of the underlying asset transfers to the County by the end of the contract. Financed purchase payments for 2022 were paid from the Corrections Fund. Principal and interest requirements to retire the Sheriff's Department agreement were paid off in 2022.

In 2022, the County entered into a financed purchase with John Deere Financial Services, in the amount of $222,432 to be repaid over six years. This agreement was entered into to provide equipment to the Engineer's Department where ownership of the underlying asset transfers to the County by the end of the contract. Financed purchase payments for this agreement will be from the MVGT Fund. Principal and interest requirements to retire the Engineer's Department agreement outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$34,130	$7,338	$41,468
2024	35,256	6,222	41,478
2025	36,419	5,049	41,468
2026	37,621	3,847	41,468
2027	38,862	2,606	41,468
2028	40,144	1,324	41,468
Total	$222,432	$26,386	$248,818

In 2022, the County entered into a financed purchase agreement with Daimler Truck Financial, in the amount of $451,335 to be repaid over five years. This agreement was entered into to provide vehicles to the Engineer's Department where ownership of the underlying asset transfers to the County by the end of the contract. Financed purchase payments for this agreement will be from the MVGT Fund. Principal and interest requirements to retire the Engineer's Department agreement outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$81,322	$18,356	$99,678
2024	85,567	14,111	99,678
2025	90,034	9,645	99,679
2026	94,733	4,945	99,678
Total	$351,656	$47,057	$398,713

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of

$100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The County's total debt margin was $17,314,094 and the unvoted debt margin was $5,442,986 at December 31, 2022.

Conduit Debt

For 2022, GASB Statement No. 91, *Conduit Debt Obligations* was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

To further economic development in the County, the County has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2022, the bonds have an aggregate outstanding principal amount payable of $2,110,000.

Note 13 – Interfund Activity and Balances

A. Transfers

During 2022, the following transfers were made:

	Transfer from			
	Major Funds			
Transfer to	General Fund	Motor Vehicle Gasoline Tax	Other Nonmajor Governmental	Total
Other Nonmajor Governmental Funds	$1,965,170	$32,191	$600,000	$2,597,361

The transfers were used to move receipts from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them; debt service payments; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Advances

The General Fund advanced $10,496 to the Corrections Special Revenue Fund.

Note 14 – Jointly Governed Organizations

A. Gallia, Jackson, Meigs, Vinton Solid Waste Management District

The County is a member of the Gallia, Jackson, Meigs, and Vinton Solid Waste Management District (the District), which a jointly governed organization of the four named counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling.

The District is governed and operated through three groups. A twelve member Board of Directors, composed of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member Policy Committee, composed of six members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Each participating County's influence is limited to the numbers of members each appoints to the Board. Continued existence of the District is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. The County made no contributions to the District in 2022.

B. Gallia, Jackson, and Meigs Board of Alcohol, Drug Addiction, and Mental Health Services

The Gallia, Jackson, and Meigs Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMH), is a jointly governed organization of the three named counties. The ADAMH provides no direct services but contracts for their delivery. The ADAMH's function is to assess needs, and to plan, monitor, fund and evaluate the services. The ADAMH is managed by an eighteen member Board. The Board is composed of five members appointed by the Jackson County Commissioners, two by the Gallia County Commissioners, and three by the Meigs County Commissioners, which are proportionate to population, four by the Ohio Department of Drug and Alcohol, and four by the State Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriating, contracting, and managing.

All of the Board's revenue is derived from State and Federal grants awarded to the multi-county Board. Gallia County serves as fiscal agent for the Board. Continued existence of the ADAMH is not dependent upon the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2022, the County made no payments to the Board.

C. Jackson-Vinton Community Action Agency

The Jackson-Vinton Community Action Agency (the Agency) is a non-profit corporation organized to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Jackson and Vinton Counties. The Agency is governed by a Board composed of public officials from Jackson and Vinton Counties, representatives of the poor in the area served, and officials or members of the private sector of the community. The Agency controls its own operations and budget. During 2022, the County paid $234,738 to the Agency.

D. Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission (the Commission) is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio. The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is composed of elected and appointed county, municipal, and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Jackson County for its continued existence. During 2022, the County paid $6,158 to the Commission.

E. Regional Child Abuse Prevention Council

The Regional Child Abuse Prevention Council of the Ohio Children's Trust Fund is a jointly governed organization whereby up to two County Prevention Specialists may be appointed by the Washington County Commissioners to sit on the council. Currently, Jackson County has one appointee. The Regional Child Abuse Prevention Council is the state's sole public funding source dedicated to preventing child abuse and neglect. Each regional council is directed by a regional prevention coordinator or coordinating entity and led by county prevention specialists. The continued existence of the Regional Child Abuse Prevention Council is not dependent upon the County's continued participation and no equity interest or debt exists.

F. Southern Ohio Council of Governments

The County is a member of the Southern Ohio Council of Governments (the "Council), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating County represented by its Director of its Board of

Developmental Disabilities (BDD). Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Jackson County BDD's supportive living program monies. During 2022, the Council received $25,998 from Jackson County.

Note 15 – Joint Venture

South Central Ohio Regional Juvenile Detention Center

The County is a participant with Highland, Pike, Ross, Vinton, and Fayette counties in the South Central Ohio Regional Juvenile Detention Center (the Center) which is a facility that provides temporary housing for juvenile offenders awaiting disposition by the respective juvenile courts of the member counties. The juvenile judge from each participating county appoints one trustee to serve on the Board, except Ross County which appoints two trustees since it is the home county. The Commissioners of each county have final approval of their respective trustee. Each county is obligated to provide financial support to the Center through per diem charges and assessments which are based on the total assessed valuation of each county in proportion to the total assessed valuation of all participating counties. The County has an ongoing financial responsibility for this entity and, during 2022, contributed $218,410 toward the operation of this facility. During 2001, the Board of Trustees for the Center determined that it was necessary to improve the Center by constructing a new facility and making related improvements to the existing facility. This work, completed in 2004, had a total cost of $5,834,000. The County's equity interest in that Center was determined to be $482,000. The Center is not accumulating significant financial resources or experiencing fiscal distress which would cause an additional financial benefit to or burden on the County. The Ross County Auditor is the fiscal agent for the Center. Complete financial statements of the joint venture can be obtained from the Ross County Auditor, Ross County Courthouse, 2 North Paint Street, Suite G, Chillicothe, Ohio 45601.

Note 16 – Insurance Purchasing Pools

A. County Risk Sharing Authority (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among fifty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates.

The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2022 was $118,145.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation

(CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year an each elected.

Note 17 – Revolving Loan Program

The County participates in a Community Development Block Grant Revolving Loan Program. The goal of the Revolving Loan Fund (RLF) is to enable eligible communities to overcome specific gaps in local capital markets that inhibit business and industry from obtaining suitable credit, and thereby impede local economic growth and stability. The primary goal of each RLF project will be private sector job creation or retention of which at least 51% of such jobs must be taken by or made available to persons from low and moderate income households. The program is administered by the Jackson County Economic Development Commission. At December 31, 2022, total outstanding balances were $103,780, principal loan receipts were $96,507, and the County paid $33,559 in administrative costs.

Note 18 – Contingent Liabilities

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

The County is not currently party to any pending litigation.

Note 19 – Food Stamps

The County's Department of Job and Family Services distributes, through contracting issuance centers, federal food stamps to entitled recipients with Jackson County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capaCounty. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient.

Note 20 – Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Major Funds:	
General	$324
Board of Developmental Disabilities	806
Total	$1,130

Note 21 – COVID-19

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

The 2022 activity includes, $800,000 which was spent on-behalf of other governments. This amount is reflected as intergovernmental public works expenditures in the Local Fiscal Recovery Special Revenue Fund on the accompanying financial statements.

Note 22 – Jackson County Airport Authority

The following are the Jackson County Airport Authority (the Authority) notes to the financial statements for the year ended December 31, 2022:

Reporting Entity

The Jackson County Airport Authority (the Authority), Jackson County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Jackson County Commissioners appoint nine Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Jackson County Airport Authority.

Summary of Significant Accounting Policies

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Basis of Presentation

The Authority's financial statements consist of a statement of net position and a statement of receipts, disbursements and changes in fund balances (cash basis).

Basis of Accounting

The Authority's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Authority's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

Cash and Cash Equivalents

Cash received by the Authority is reflected as "equity in pooled cash and cash equivalents" on the statement of net position. The Authority had no investments during the year ended December 31, 2022.

Capital Assets

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Long-Term Obligations

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt retirement.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority has no amounts restricted.

Operating Receipts and Disbursements

Operating receipts are those receipts that are generated directly from the primary activity of the Authority. Operating disbursements are necessary costs incurred to provide the service that is the primary activity of the Authority. All receipts and disbursements not meeting this definition are reported as non-operating.

Deposits and Investments

As the Ohio Revised Code permits, the Jackson County Treasurer holds the Authority's deposits as the Authority's custodian. The County holds the Authority's assets in its investment pool, valued at the Treasurer's reported carrying amount. The Authority has no investments.

Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Bowman Hangar Promissory Note	68,051	4.15%

On September 3, 2009, the Jackson County Airport Authority obtained a loan from The Milton Banking Company for the Airport Hanger in the amount of $271,951. This loan was retired during fiscal year ending December 31, 2022.

On October 4, 2018, the Jackson County Airport Authority obtained a loan from The Vinton County National Bank for the Bowman Hanger in the amount of $150,000. Donations in the amount of $25,000 were received by the Authority to buy down the debt. Semiannual payments are to be made with the first payment due on April 4, 2019. Amortization, including interest, is scheduled as follows:

Year Ending December 31:	Principal	Interest
2023	$15,821	$2,661
2024	16,484	1,998
2025	17,176	1,307
2026	17,896	586
2027	674	14
Total	$68,051	$6,566

In 2021, the Jackson County Airport Authority obtained a loan from The Vinton County National Bank for the engineering purposes, in the amount of $41,975. One annual payment will be due November 29, 2022, to mature this loan. This loan was retired during the fiscal year ending December 31, 2022.

Contingencies

A. Grants

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

B. Pending Litigation

The Authority is not party to any pending litigation.

COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency ended in April 2023. During fiscal year 2022, the Authority received American Rescue Plan Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020.

Note 23 - Jackson County Land Reutilization Corporation

The following are the Jackson County Land Reutilization Corporation's (the Corporation) notes to the financial statements for the year ended December 31, 2022:

Reporting Entity

The Jackson County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on April 4, 2017, when the Jackson County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution number 62-17 as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Jackson County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed, and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03(B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of no less than five and no more than nine members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

Summary Of Significant Accounting Policies

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

A. Basis of Presentation

The Corporation's financial statements consist of a statement of receipts, disbursements, and change in fund balances (cash basis).

B. Basis of Accounting

The Corporation's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Corporation's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

C. Federal Income Tax

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

D. Cash and Cash Equivalents

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

E. Net Position

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Directors or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation applies restricted resources first when an expense is incurred for which both restricted and unrestricted net positions are available.

F. Extraordinary and Special Items

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

Deposits

At December 31, 2022, the carrying amount of the Corporation's deposits was $410,264. Based on the criteria described in GASB Statement Number 40, *Deposits and Investment Risk Disclosures,* as of December 31, 2022, the Corporation's bank balance of $410,264 was covered by Federal Deposit Insurance Corporation (FDIC). Custodial credit risk is the risk that in the event of bank failure that the Corporation's deposits may not be returned to it. Protection of the Corporation's cash and deposits is provided by the FDIC.

Risk Management

The Corporation 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. The Corporation has obtained commercial insurance from private carriers for the following risks:

- Commercial General Liability
- Directors/Officers Liability

COVID-19

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

JACKSON COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education and Workforce				
Child Nutrition Cluster				
Cash Assistance				
School Breakfast Program	10.553	2022	$0	$10,105
National School Lunch Program	10.555	2022	0	16,456
Total Child Nutrition Cluster			0	26,561
Passed Through Ohio Department of Job and Family Services				
Supplemental Nutrition Assistance Program (State Administrative Match)	10.561	G-2223-11-6943	0	308,942
ARPA - Supplemental Nutrition Assistance Program (State Administrative Match	10.561	G-2223-11-6943	0	16,577
Total Supplemental Nutrition Assistance Program (State Administrative Match)			0	325,519
Passed Through Ohio Department of Education and Workforce				
Pandemic EBT Administrative Costs	10.649	2022	0	628
Passed Through Ohio Department of Natural Resources				
School and Roads - Grants to States	10.665	N/A	0	2,266
Total U.S. Department of Agriculture			**0**	**354,974**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Ohio Department of Development				
Community Development Block Grant - State's Program	14.228	B-F-19-1BK-1	0	137,891
		B-F-21-1BK-1	0	98,695
		B-X-21-1BK-1	0	138,313
		B-C-20-1BK-1	0	98,195
Total Community Development Block Grant - State's Program				473,094
Home Investment Partnerships Program	14.239	B-C-20-1BK-2	69,100	144,788
Total U.S. Department of Housing and Urban Development			**69,100**	**617,882**
U.S. DEPARTMENT OF THE INTERIOR				
Direct Program				
Payment in Lieu of Taxes	15.226	N/A	0	3,132
Passed Through Ohio Department of Natural Resources				
National Foreset Acquired Lands	15.438	N/A	0	6,498
Total U.S. Department of the Interior			**0**	**9,630**
U.S. DEPARTMENT OF JUSTICE				
Passed Through Ohio Department of Public Safety; Office of Community Oriented Policing Services				
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0320	0	66,091
Total U.S. Department of Justice			**0**	**66,091**
U.S DEPARTMENT OF LABOR				
Passed Through Workforce Innovation and Opportunity Act, Area 7				
Employment Services/Wagner-Peyser Funded Activities	17.207	N/A	0	3,635
Unemployment Insurance	17.225	N/A	0	4,044
Trade Adjustment Assistance	17.245	N/A	0	567
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	N/A	0	124,307
WIOA Youth Activities	17.259	N/A	0	203,371
WIOA Dislocated Worker Formula Grants	17.278	N/A	0	29,178
Total Workforce Innovation and Opportunity Act (WIOA) Cluster:			0	356,856
Total U.S. Department of Labor			**0**	**365,102**
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through Ohio Department of Transportation				
Highway Planning and Construction	20.205	PID#115294	0	62,334
		PID#115586	0	13,964
Total Highway Planning and Construction			0	76,298

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Passed Through Ohio Traffic Safety Office				
State and Community Highway Safety (STEP)	20.600	69A37522300004020OHO	0	1,425
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (IDEP)	20.608	69A37522300001640OHA	0	748
Passed Through Ohio Emergency Management Agency				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940044HMEP	0	11,184
Total U.S. Department of Transportation			**0**	**89,655**
U.S. DEPARTMENT OF TREASURY				
Direct Program				
Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	0	4,278,008
Total U. S. Department of Treasury			**0**	**4,278,008**
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education and Workfoce				
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0	37,925
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0	6,999
Total Special Education Cluster				44,924
Governor Emergency Relief-COVID-19	84.425C	N/A	0	23,393
Total U.S. Department of Education			**0**	**68,317**
ELECTION ASSISTANCE COMMISSION				
Passed Through Ohio Secretary of State				
HAVA Election Security Grants	90.404	EACELSEC18OH	0	6,325
Total Election Assistance Commission			**0**	**6,325**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Job and Family Services				
Promoting Safe and Stable Families	93.556	G-2223-11-6943	0	31,890
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-2021-11-5944	0	10,480
		G-2223-11-6943	0	1,080,626
ARPA-Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-2021-11-5944	0	153,057
Total Temporary Assistance for Needy Families (TANF) State Programs			0	1,244,163
Child Support Enforcement	93.563	G-2223-11-6943	0	582,879
Child Care and Development Block Grant	93.575	G-2223-11-6943	0	29,059
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6943	0	51,564
Foster Care	93.658	G-2223-11-6943	0	859,989
Adoption Assistance	93.659	G-2223-11-6943	0	81,306
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	G-2021-11-5944	0	3,125
		G-2223-11-6943	0	7,191
			0	10,316
Elder Abuse Prevention Interventions Program	93.747	G-2021-11-5944	0	795
Childrens Health Insurance Program	93.767	G-2223-11-6943	0	145,241
Passed Through Ohio Department of Development Disabilities				
Social Services Block Grant	93.667	N/A	0	22,665
Passed Through Ohio Department of Job and Family Services				
Social Services Block Grant	93.667	G-2223-11-6943	0	648,144
Total Social Services Block Grant			0	670,809
Passed Through Ohio Department of Job and Family Services				
Medical Assistance Program	93.778	G-2223-11-6943	0	673,607
Total U.S. Department of Health and Human Services			0	4,381,618

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PID #43979	0	24,394
		PID #99738	0	5,600
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			0	29,994
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002	0	49,671
		EMC-2021-EP-00007	0	13,536
Total Emergency Management Performance Grants			0	63,207
Homeland Security Grant Program	97.067	EMW-2019-SS-00024-S01	0	45,985
		EMW-2019-SS-00024-S01	0	33,770
		EMW-2020-SS-00037-S01	0	39,453
		EMW-2020-SS-00037-S01	0	54,998
		EMW-2021-SS-00004	0	20,809
Total Homeland Security Grant Program			0	195,015
Total U.S. Department of Homeland Security			0	288,216
Total Expenditures of Federal Awards			**$69,100**	**10,525,818**

The accompanying notes are an integral part of this Schedule.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE 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 $440,410.

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.

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

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

Jackson County
226 East Main Street
Jackson, Ohio 45640

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 discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Ohio (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 12, 2024, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-002 and 2022-003 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings as item 2022-004 to be a significant deficiency.

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 matters that are 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 responses to the Findings identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

June 12, 2024

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800-282-0370

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

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Jackson County's, Ohio (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 Jackson County's major federal programs for the year ended December 31, 2022. Jackson County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

Qualified Opinion on Coronavirus State and Local Fiscal Recovery Funds AL #21.027

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Jackson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the 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, Jackson 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 Coronavirus State and Local Fiscal Recovery Funds AL #21.027

As described in Finding 2022-005 in the accompanying Schedule of Findings, the County did not comply with requirements regarding reporting applicable to its AL #21.027 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.

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 2022-005 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 responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Corrective Action Plan. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 12, 2024

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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)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(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 opinion on Coronavirus State and Local Fiscal Recovery Fund – AL #21.027 Unmodified opinion on Temporary Assistance for Needy Families (TANF) State Program – AL #93.558
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • Coronavirus State and Local Fiscal Recovery Fund – AL #21.027 • Temporary Assistance for Needy Families (TANF) State Program – AL #93.558	
(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

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.

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

FINDING NUMBER 2022-001 (Continued)

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

The County prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the 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 may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County. To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response: The County does not currently have the resources to meet this requirement. We received the estimate of the cost to report and audit. The Commissioners have determined the high cost outweighs the benefit.

FINDING NUMBER 2022-002

Reconciliations - Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The County's reconciliation process is a three-part process. First, the County Treasurer must reconcile his general ledger to the bank. Secondly, the Treasurer's Office must reconcile the Treasurer's fund balance report to the daily statement. Lastly, the County Auditor must reconcile to the County Treasurer's fund balance report.

The County Treasurer's reconciliation as of December 31, 2022 of the general ledger/check book to the bank was not completed until February 10, 2023. In addition, there was no indication on any of the other 2022 monthly reconciliations as to the date they were prepared. The Auditor/Treasurer reconciliation was completed on February 7, 2023; however, the Treasurer's Fund Report was not reconciled to the daily statement and it has not been reconciled for several years.

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

FINDING NUMBER 2022-002 (Continued)

In addition we noted throughout the year, the Auditor/Treasurer reconciliations were not completed timely. The January reconciliation was completed in July, the February through August reconciliations were completed in December, and September through November reconciliations were completed in January 2023. Failure to reconcile Treasurer and Auditor fund balances timely after month end results in errors going undetected for long periods of time.

The following reconciling items have been carried on the Treasurer's reconciliations for many years.

- The outstanding checklist for the PNC Main Reconciliation for the County included $1,734 in checks that date back as early as October 2003.
- The outstanding checklist for the WesBanco Payroll Reconciliation included $10,613 in checks that date back as early as April 2009.
- Bank service charges of $62,082 for PNC Main, WesBanco Main, and WesBanco Payroll bank accounts were unrecorded for February 2015 through December 2022. In addition, bank service charges on the EMS Huntington National Bank of $44,911 were unrecorded from February 2013 through December 31, 2022.
- Unknown credits totaling $8,753 date back as far as 2008.
- Direct deposits not recorded by the Treasurer in the amount of $205,694 have deposits dating back as far as 2016. Of the $205,694 in outstanding direct deposits not posted by the Treasurer at December 31, 2022, all were outstanding greater than six months except for $12,719 deposited on 12/30/22 and posted 1/5/23.
- An unknown bank correction of ($956) has been on the reconciliation since January 2008.
- Unknown bank deposits of $31,613 have adjustments dating back to 2014. There are also pay-in errors not yet corrected totaling ($163,172) dating back as far as 2008.
- There are unrecorded sales tax payments and non-sufficient funds of ($11,127) and ($13,185), respectively, of which the earliest charges date back to February 2013.
- Heath Department pay-ins not yet transferred to the PNC account totaled ($114,264).
- Corrections for fraudulent checks that cleared in December 2016 totaling ($2,290) have not yet been reimbursed by the bank.
- There were an additional $3,813 in other small errors noted.

These reconciling items between the Treasurer's General Ledger balance and Bank are factored into the Treasurer's Daily Statement as the daily statement is reconciled to the general ledger balances.

For the payroll account, $5,365 in payroll checks dating as far back as 2009 have been voided by the Auditor's office but have not yet been voided by the Treasurer, $62,306 in payroll checks have cleared the bank but have not been cleared in the system and $128,695 in payroll electronic fund transfers were still included on the payroll outstanding check listing but cleared the bank in April 2018. The payroll account is a clearing account and should reconcile to $0.

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

FINDING NUMBER 2022-002 (Continued)

Additional reconciling items were noted that were not part of the Treasurer's general ledger reconciliation. The Auditor's office outstanding check list included $1,486,623 in outstanding checks that cleared in February and March 2022 but were never marked cleared in the system by the Treasurer's office. This was corrected on August 14, 2023. The WesBanco Trust & Investment Account had a $474,705 loss from the bank to the Treasurer's general ledger balance. This loss is not reflected in the Treasurer's general ledger balance and therefore is not reflected in the auditor's fund balances from which the financial statements are prepared. These items affect the General Ledger and Daily Statement equally so were not part of reconciling items on the Treasurer's reconciliations.

Of the reconciling items noted above on the Treasurer's general ledger to bank reconciliations, the Auditor has corrected errors totaling $87,530. However, the auditor's balance does not reconcile to the treasurer's daily statement balances by an unidentified variance of $31,112. This is largely due to the Treasurer's Daily statement does not agree to his fund balances by an unidentified variance of $30,236.

Failure to reconcile monthly increases the possibility that the County will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The County Treasurer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances in a timely manner. Variances should be investigated, documented, and corrected. The Treasurer should also investigate the variances between the daily statement and the Treasurer's Fund Report and make corrections as needed. This will then allow the daily statement and Treasurer's Fund Report to be reconciled each month. Further, this will also enable the County Auditor to perform timely reconciliations to a corrected Treasurer's Fund Report.

In addition, the County Commissioners should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2022-003

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The County financial statement and transaction recording oversight and review procedures were not sufficient to help ensure activity was properly recorded and reported on the financial statements. As a result of the audit procedures performed, the financial statements had the following errors that required reclassification or adjustment:

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

FINDING NUMBER 2022-003 (Continued)

Jackson County Primary Government

- General Fund intergovernmental receipts of $156,449 and sale of asset receipts of $229,850 were incorrectly classified as other receipts;
- Statement No. 54 of Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 requires amounts as assigned when subsequent appropriations exceed estimated receipts. The County incorrectly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of $176,385;
- The State and Local Fiscal Recovery Fund made transfers to the General Fund which were not allowed. This resulted in intergovernmental revenue and transfers out in the State and Local Fiscal Recovery Fund and General Fund Transfers In being overstated and General Fund Intergovernmental revenue being understated in the amount of $2,241,466;
- Motor Vehicle Gasoline Tax Fund loan proceeds of $197,866 were incorrectly classified as intergovernmental revenue;
- Motor Vehicle Gasoline Tax Fund lease proceeds and capital outlay disbursements of $222,432 and $451,334, respectively, were not recorded by the County and omitted from the financial statements;
- Motor Vehicle Gasoline Tax Fund intergovernmental receipts and public safety disbursements were each overstated $238,584 due to duplication of intrafund receipts and disbursements that should have been eliminated as a result of the FEMA Fund #307 and the MVGT Fund #202 being combined on the financial statements; and
- OPWC Grants Fund loan proceed receipts totaling $376,650 were incorrectly classified as intergovernmental receipts.

Jackson County Land Reutilization Corporation

- Operating Grants, Contributions, and Interest receipts of $7,995 were incorrectly classified as Other receipts;
- Other receipts of $86,861 were incorrectly classified as Operating Grants, Contributions, and Interest receipts; and
- Operating Grants, Contributions, and Interest receipts and Land Reutilization Corporation disbursements were each understated $21,501 due to a receipt and disbursement being omitted during preparation of the financial statements.

Jackson County Airport Authority

- Intergovernmental receipts were overstated $31,999 due to a receipt being recorded twice.

The adjustments and reclassifications noted above, to which management has agreed, have been posted to the County ledgers and are reflected in the accompanying financial statements.

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

FINDING NUMBER 2022-003 (Continued)

The County Auditor should review revenue and expenditures account codes in the software system to ensure receipts and disbursements are properly classified. The County Auditor should also review the financial statement compilation to ensure all receipts and disbursements are properly classified or included on the financial statements. Further, the County Treasurer should review the financial statement compilation for the Land Bank Reutilization Corporation to ensure all receipts and disbursements were properly included on the financial statements.

Officials' Response: The Auditor will work with the departments to ensure receipts and disbursements are classified correctly. She will also work with LGS, who compiles our Financial Statement, to more timely review the Hinkle Filing for any corrections.

FINDING NUMBER 2022-004

Financial Reporting - Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The County's Recorder's Office receipt collections, tracking, reconciliation, and oversight were not sufficient to help ensure monies were properly collected, recorded, reconciled, and reported in the financial statements.

The Recorder's Office utilized Avid Software which produced a monthly Fund Transaction Summary Report. This software system allowed for customers to charge the amount for copies of requests through the Laredo system and at end of month, a detailed invoice is prepared which updates the Avid system monthly for total charged. The Avid system does not track when an invoice is made nor a running balance of total due to the Recorders office at a given time.

Monthly reconciliations were performed by the Recorder's Office Clerk; however, there was no indication of the date they were completed. As of December 31, 2022, discrepancies were noted and a variance between the bank and book balance in the amount of $689 was noted. This was due to the County Recorder not factoring in bank fees not yet reimbursed and ACH payments totaling $438 that were posted to the recorders software system but never received in the Recorder's bank account as they were electronically deposited into the Treasurer's bank account. The Treasurer paid $438 to the Recorder in February 2023 to correct the electronic ACH deposits received in error.

In addition, daily receipt collections were not deposited timely ranging from two to twenty-five business days after the date of receipt. The deposits held ranged from $34 to $2,912.

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

FINDING NUMBER 2022-004 (Continued)

Further, monthly disbursements to the County Auditor's office were not timely paid in:

- January 2022 collections not paid in until March 1, 2022;
- February 2022 collections not paid in until March 25, 2022;
- March 2022 collections not paid in until April 20, 2022;
- April 2022 collections not paid in until June 27, 2022;
- May 2022 collections not paid in until June 27, 2022;
- June 2022 collections not paid in until August 10, 2022;
- July 2022 collections not paid in until September 9, 2022;
- August 2022 collections not paid in until October 3, 2022;
- September 2022 collections not paid in until October 25, 2022; and
- October 2022 collections not paid in until November 17, 2022.

The Recorder's Office should implement policies and procedures to ensure monies are collected, recorded, reconciled, and reported in a timely manner. In addition, deposits should be made the following business day and a policy should be adopted in accordance with Ohio Rev. Code § 9.38 to hold deposits up to a maximum of three business days. Performing and fully documenting reconciliations and following established procedures will help ensure the timely detection of any discrepancies. Finally, monthly distributions of the collections to the County Auditor's office for the General, Recorder, and Housing Trust Funds should be made in a reasonable time after each month end.

Officials' Response: The Reconciliation Report process has been updated to include an ACH tracker spreadsheet that is completed daily and provides a running total daily total of ACH payments received and those still outstanding. This will be turned into the Auditor of State with all other financial tracking data and will prevent the delay in tracking ACH payments as we experienced in 2022 involving the Treasurer's Office.

The Office of the Recorder will take the following steps to rectify issues not already addressed:

1) Work with the Fidlar support team to develop a tracking report with Laredo in order to maintain a record of when an invoice is made, as well as, a running balance of a total due at any given time.
2) Develop a policy to allow for the 3-day deposit window. The Office will utilize the night drop deposit when staff is unable to leave the office prior to the closing of the office.
3) A deposit log will be put in place within the office, which includes the following information:
   Date of deposit taken, amount of deposit, who is taking to the bank for deposit.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Reporting

Finding Number:	**2022-005**
Assistance Listing Number and Title:	**AL # 21.027 Coronavirus State and Local Fiscal Recovery Fund**
Federal Award Identification Number / Year:	**2022**
Federal Agency:	**U.S. Department of Treasury**
Compliance Requirement:	**Reporting**
Pass-Through Entity:	**N/A**
Repeat Finding from Prior Audit?	**No**
Prior Audit Finding Number:	**N/A**

Noncompliance/Material Weakness

31 CFR § 35.4(c) requires, in part, recipients, during the period of performance, to provide the Secretary of the U.S. Department of Treasury periodic reports providing detailed accounting of the uses of funds, modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section.

In the Coronavirus State and Local Fiscal Recovery Funds Final Rule, Treasury stated that it clarified reporting deadlines in their Compliance and Reporting Guidance. Treasury's Compliance and Reporting guidance states that metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in SLFRF funding and non-entitlement units that are allocated less than $10 million in SLFRF funding are required to submit annual Project and Expenditure Reports. It further states that the initial Project and Expenditure Report covering March 3, 2021 to March 31, 2022 was required to be submitted to Treasury by April 30, 2022, and subsequent annual reports will cover one calendar year and must be submitted to Treasury by April 30.

The County was required to summit a Project and Expenditure Report by April 30, 2023, to the U.S. Department of the Treasury through the Treasury's Portal. The County submitted the required Project and Expenditure Report, however, the County 2023 revenue loss current period obligations were overstated by $1,431,250, current period expenditures were over stated by $2,023,063, and cumulative expenditures were over stated by $2,017,832.

Failure to have proper controls in place to ensure the timely and accurate submission of the Project and Expenditure Reports could result in Treasury taking action against the County for failure to comply with programmatic requirements.

The County should implement controls to ensure the Project and Expenditure Report is accurate, supporting by appropriate documentation, and filed by the required due date.

Officials' Response: The reporting guidance had been updated many times. The procedures in reporting were misunderstood by the Auditor and Commissioner. This has been corrected with the 2023 audit period.

Paul Haller
President

Jon Hensler
Vice President

Donnie Willis
Commissioner

OFFICE OF
JACKSON COUNTY COMMISSIONERS
25 E SOUTH STREET
P.O. BOX 606
JACKSON, OHIO 45640-1750
(740) 286-3301

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) – Not preparing and filing the annual report in accordance with Generally Accepted Auditing Principles.	Not Corrected.	The County does not currently have the resources to meet this requirement. We received the estimate of the cost to report and audit. At that time, the Commissioners determined the high cost outweighed the benefit.
2021-002	Internal control material weakness for the timeliness and other deficiencies in the County's reconciliation process.	Not Corrected.	We did not receive a response from Officials to this finding.
2021-003	Material Weakness for audit adjustment and reclassifications of receipts and disbursements.	Not Corrected.	The Auditor will continue to work with the departments to ensure receipts and disbursements are classified correctly. In addition, the Auditor will continue to work with LGS, who compiles the financial statements, to more timely review the Hinkle filing for any corrections.
2021-004	Significant deficiency in internal controls over in the Recorder's office for monthly reconciliation, timely deposit, and timely distribution of monthly collections.	Not Corrected.	See Corrective Action in Schedule of Findings.

Paul Haller President	Jon Hensler Vice President	Donnie Willis Commissioner

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

Finding Number:	2022-001
Planned Corrective Action:	The County does not currently have a plan due to the cost to benefit ratio.
Anticipated Completion Date:	Unknown
Responsible Contact Person:	Tiffany Ridgeway, County Auditor and County Commissioners

Finding Number:	2022-002
Planned Corrective Action:	No corrective action plan was provided related to this finding.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Lee Hubbard, County Treasurer

Finding Number:	2022-003
Planned Corrective Action:	The Auditor will continue to work with the departments to ensure correct classification of receipts and disbursements.
Anticipated Completion Date:	Immediately
Responsible Contact Person:	Tiffany Ridgeway, County Auditor

Finding Number:	2022-004
Planned Corrective Action:	See Corrective Action in Schedule of Findings
Anticipated Completion Date:	Immediately
Responsible Contact Person:	Krista Brown, County Recorder

Finding Number:	2022-005
Planned Corrective Action:	Reporting was corrected in the 2024 report.
Anticipated Completion Date:	2024
Responsible Contact Person:	Tiffany Ridgeway, County Auditor and County Commissioners

OHIO AUDITOR OF STATE
KEITH FABER

JACKSON 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 6/25/2024

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