



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SCIOTO COUNTY  
DECEMBER 31, 2023**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities .....	20
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
to the Statement of Activities .....	24
Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual (Budget Basis)	
General Fund.....	26
Public Assistance Special Revenue Fund.....	27
Motor Vehicle Gas Tax Special Revenue Fund .....	28
Board of Developmental Disabilities Special Revenue Fund.....	29
Children Services Special Revenue Fund.....	30
Local Fiscal Recovery Special Revenue Fund.....	31
Statement of Fund Net Position	
Enterprise Fund .....	32
Statement of Revenues, Expenses and Changes in Fund Net Position	
Enterprise Fund .....	33
Statement of Cash Flows	
Enterprise Fund .....	34

**SCIOTO COUNTY  
DECEMBER 31, 2023**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Statement of Fiduciary Net Position Custodial Funds .....	35
Statement of Changes in Fiduciary Net Position Custodial Funds .....	36
Notes to the Basic Financial Statements .....	37
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System - Traditional Plan – Last Ten Years .....	102
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Ohio Public Employees Retirement System - Combined Plan – Last Six Years .....	104
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) – Ohio Public Employees Retirement System - OPEB Plan - Last Seven Years .....	106
Schedule of the County's Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio - Last Ten Years .....	108
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset) – State Teachers Retirement System Of Ohio - Last Seven Fiscal Years .....	110
Schedule of County Contributions – State Teachers Retirement System Of Ohio – Last Ten Years .....	112
Schedule of County Contributions – Ohio Public Employees Retirement System - Last Ten Years .....	114
Notes to the Required Supplementary Information .....	117
Schedule of Expenditures of Federal Awards .....	123
Notes to the Schedule of Expenditures of Federal Awards .....	127
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	129
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 .....	131
Schedule of Findings .....	135
Corrective Action Plan .....	137

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Scioto County  
602 Seventh Street  
Portsmouth, Ohio 45662

To the Board of County Commissioners:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scioto County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scioto County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Public Assistance, Motor Vehicle Gas Tax, Board of Developmental Disabilities, Children Services, and Local Fiscal Recovery Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2025, 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

March 6, 2025

**This page intentionally left blank.**



**SCIOTO COUNTY, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Scioto County's (the "County") discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2023.

**FINANCIAL HIGHLIGHTS**

The net position for business-type activity increased \$850,060 during 2023. The net position of the County's governmental activities increased \$2,307,168.

Operating grants decreased due to a decrease in grants for public works activities.

Net pension liability of governmental and business-type activities increased due to the County's proportionate share of the OPERS traditional plan's unfunded benefits.

The County had \$81,750,103 in expenses related to governmental activities: \$49,413,691 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues (primarily grants and entitlements, property taxes and sales taxes) of \$34,628,580 were more than adequate to provide for these programs. The County had \$5,724,698 in expenses related to its business-type activity; all of which were offset by program specific charges for services and sales along with operating grants and contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column.

**REPORTING THE COUNTY AS A WHOLE**

*Statement of Net Position and the Statement of Activities*

The analysis of the County as a whole begins with the Statement of Net Position and the Statement of Activities. These statements provide information that will help the reader to determine if Scioto County is financially better off or worse off as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes to those net positions. This change informs the reader whether the County's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the County's financial well-being. Some of these factors include the County's tax base and the condition of capital assets.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities.

**SCIOTO COUNTY, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

---

Governmental Activities – Most of the County's services are reported here including general government, public safety, public works, health, human services, conservation and recreation, economic development and assistance, and transportation.

Business-Type Activity – This activity includes fees for sewer services that are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

The financial activities of the Scioto County Airport Authority, Scioto County Land Reutilization Corporation, and the Southern Ohio Port Authority are component units of Scioto County, are presented in a single column on the Statement of Net Position and are combined together on the Statement of Activities. The component units are presented in individual columns on the Condensed Component Unit Statements in Note 28. While the County provides services and resources to the Scioto County Airport Authority, Scioto County Land Reutilization Corporation, and the Southern Ohio Port Authority, these discrete presentations are made in order to emphasize that they are still legally separate organizations from the County. However, focus on the government-wide financial statements remains clearly on the County as the primary government.

## **REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS**

### ***Fund Financial Statements***

The analysis of the County's major funds begins on page 11. Fund financial statements provide detailed information about the County's major funds – not the County as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the County Auditor, with the approval of the County Commissioners, to help control, manage and report money received for a particular purpose or to show that the County is meeting legal responsibilities for the use of grants. The County's major funds are the General, Public Assistance, Motor Vehicle Gas Tax, Board of Developmental Disabilities, Children Services, Local Fiscal Recovery, and Sewer Funds.

***Governmental Funds*** – Most of the County's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our -residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Enterprise Funds*** – When the County charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

## **THE COUNTY AS A WHOLE**

As stated previously, the Statement of Net Position looks at the County as a whole. Table 1 provides a summary of the County's net position for 2023 compared to 2022.

**SCIOTO COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2023**  
**Unaudited**

Table 1  
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and						
Other Assets	\$77,957,668	\$84,822,655	\$11,080,951	\$10,410,681	\$89,038,619	\$95,233,336
Net Pension Asset	96,240	212,068	3,904	8,599	100,144	220,667
Net OPEB Asset	103,809	4,738,146	0	186,723	103,809	4,924,869
Equity Interest in						
Joint Venture	446,790	463,336	0	0	446,790	463,336
Capital Assets,						
Net of Depreciation	91,192,398	85,461,882	57,972,334	58,306,916	149,164,732	143,768,798
Total Assets	<u>169,796,905</u>	<u>175,698,087</u>	<u>69,057,189</u>	<u>68,912,919</u>	<u>238,854,094</u>	<u>244,611,006</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on						
Refunding	74,196	88,765	837,236	895,743	911,432	984,508
Pension	18,953,593	7,333,865	759,189	286,853	19,712,782	7,620,718
OPEB	2,765,868	427,729	111,232	16,418	2,877,100	444,147
Total Deferred Outflows	<u>21,793,657</u>	<u>7,850,359</u>	<u>1,707,657</u>	<u>1,199,014</u>	<u>23,501,314</u>	<u>9,049,373</u>
<b>Liabilities</b>						
Current and Other						
Liabilities	13,050,449	19,349,902	764,628	767,273	13,815,077	20,117,175
Long-Term Liabilities:						
Due Within						
One Year	2,205,138	1,976,856	818,129	783,719	3,023,267	2,760,575
Due in More						
Than One Year						
Net Pension Liability	46,139,189	14,628,369	1,823,909	546,990	47,963,098	15,175,359
OPEB Liability	908,325	0	36,826	0	945,151	0
Other Amounts	3,674,023	3,754,302	22,760,460	23,423,970	26,434,483	27,178,272
Total Liabilities	<u>65,977,124</u>	<u>39,709,429</u>	<u>26,203,952</u>	<u>25,521,952</u>	<u>92,181,076</u>	<u>65,231,381</u>
<b>Deferred Inflows of Resources</b>						
Deferred Charge on Refunding	0	0	762,836	808,257	762,836	808,257
Property Taxes	13,597,017	13,460,849	0	0	13,597,017	13,460,849
Revenue in Lieu of Taxes	21,600	21,600	0	0	21,600	21,600
Pension	448,909	16,632,085	12,680	665,705	461,589	17,297,790
OPEB	387,593	4,873,332	12,221	192,922	399,814	5,066,254
Total Deferred Inflows	<u>\$14,455,119</u>	<u>\$34,987,866</u>	<u>\$787,737</u>	<u>\$1,666,884</u>	<u>\$15,242,856</u>	<u>\$36,654,750</u>

(continued)

**SCIOTO COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2023**  
**Unaudited**

Table 1  
**Net Position**  
**(Continued)**

	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
<b>Net Position</b>						
Net Invested in						
Capital Assets	\$86,222,624	\$78,761,344	\$34,717,877	\$34,125,930	\$120,940,501	\$112,887,274
Restricted for:						
Debt Service	67,353	61,319	0	0	67,353	61,319
Capital Projects	3,953,263	4,335,262	0	0	3,953,263	4,335,262
Pension/OPEB Plans	200,049	497,676	3,904	18,416	203,953	516,092
Other Purposes	33,711,842	33,089,194	0	0	33,711,842	33,089,194
Unrestricted (Deficit)	(12,996,812)	(7,893,644)	9,051,376	8,778,751	(3,945,436)	885,107
<b>Total Net Position</b>	<b>\$111,158,319</b>	<b>\$108,851,151</b>	<b>\$43,773,157</b>	<b>\$42,923,097</b>	<b>\$154,931,476</b>	<b>\$151,774,248</b>

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of the County’s governmental activities decreased \$5,901,182, despite an increase in capital assets, net of depreciation. The County’s current and other assets decreased \$6,864,987. Cash and cash equivalents decreased due to an increase in expenses for the jail and maintenance. Property taxes receivable decreased due to the County forgiving delinquent taxes on properties that were transferred to the Land Bank. The net OPEB asset decreased due to the State-wide pension system’s net difference between projected and actual earnings on pension plan investments. Capital Assets, Net of Depreciation increased \$5,730,516, mainly due to road paving and widening projects and bridge replacement projects.

**SCIOTO COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2023**  
**Unaudited**

The County's governmental net pension liability increased \$31,510,820, due to the County's proportionate share of the OPERS traditional plan's unfunded benefits.

Net position of the County's governmental activities increased \$2,307,168 from the prior year due to an increase in net invested in capital assets. Net invested in capital assets increased due to the road paving and widening and bridge replacement projects as well as current year principal payments on the general obligation bonds.

Net position of the County's business-type activities increased \$850,060. This is mainly due to current year principal payments. Net Invested in Capital Assets increased \$591,947 also due to current year principal payments.

Table 2 shows the changes in net position for the years ended December 31, 2023, and 2022.

Table 2  
**Changes in Net Position**

	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$9,854,116	\$8,893,645	\$5,720,681	\$5,301,357	\$15,574,797	\$14,195,002
Operating Grants and Contributions	33,102,425	35,879,230	0	0	33,102,425	35,879,230
Capital Grants and Contributions	6,457,150	4,875,017	149,904	50,096	6,607,054	4,925,113
Total Program Revenues	49,413,691	49,647,892	5,870,585	5,351,453	55,284,276	54,999,345
General Revenues:						
Property Taxes	13,685,672	11,619,717	0	0	13,685,672	11,619,717
Other Local Taxes	1,086,931	915,052	0	0	1,086,931	915,052
Sales Tax	14,990,736	14,582,208	0	0	14,990,736	14,582,208
Revenue in Lieu of Taxes	2,768	2,239	0	0	2,768	2,239
Grants and Entitlements not Restricted to Specific Programs	2,674,874	3,048,532	0	0	2,674,874	3,048,532
Investment Earnings/Interest	587,911	(649,922)	0	0	587,911	(649,922)
Miscellaneous	1,561,507	1,517,860	719,173	38,894	2,280,680	1,556,754
Gain on Sale of Capital Assets	38,181	0	0	0	38,181	0
Total General Revenues	34,628,580	31,035,686	719,173	38,894	35,347,753	31,074,580
Total Revenues	\$84,042,271	\$80,683,578	\$6,589,758	\$5,390,347	\$90,632,029	\$86,073,925

(continued)

**SCIOTO COUNTY, OHIO**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2023**  
**Unaudited**

Table 2  
**Changes in Net Position**  
**(Continued)**

	Governmental Activities		Business-Type Activity		Total	
	2023	2022	2023	2022	2023	2022
	<i>(continued)</i>					
<b>Program Expenses</b>						
General Government:						
Legislative and Executive	\$14,624,253	\$13,187,969	\$0	\$0	\$14,624,253	\$13,187,969
Judicial	4,379,180	2,808,945	0	0	4,379,180	2,808,945
Public Safety:						
Sheriff	11,881,243	9,992,961	0	0	11,881,243	9,992,961
Other	5,936,534	763,886	0	0	5,936,534	763,886
Public Works	3,410,674	11,123,693	0	0	3,410,674	11,123,693
Health	14,720,786	11,350,727	0	0	14,720,786	11,350,727
Human Services	21,710,181	19,740,522	0	0	21,710,181	19,740,522
Conservation and Recreation	853,188	462,762	0	0	853,188	462,762
Economic Development and Assistance	2,221,900	3,843,877	0	0	2,221,900	3,843,877
Transportation	993,776	781,449	0	0	993,776	781,449
Interest	1,018,388	224,409	0	0	1,018,388	224,409
Sewer	0	0	5,724,698	4,506,867	5,724,698	4,506,867
Total Expenses	81,750,103	74,281,200	5,724,698	4,506,867	87,474,801	78,788,067
Change in Net Position Before Transfers	2,292,168	6,402,378	865,060	883,480	3,157,228	7,285,858
Transfers	15,000	5,331	(15,000)	(5,331)	0	0
Change in Net Position	2,307,168	6,407,709	850,060	878,149	3,157,228	7,285,858
Net Position at Beginning of Year	108,851,151	102,443,442	42,923,097	42,044,948	151,774,248	144,488,390
Net Position at End of Year	\$111,158,319	\$108,851,151	\$43,773,157	\$42,923,097	\$154,931,476	\$151,774,248

***Governmental Activities***

The County's direct charges to users of governmental services are \$9,854,116 of total governmental revenues for 2023. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, recording fees, sheriff contracts, transportation fees, fines and forfeitures related to judicial activity, housing fees for prisoners from other jurisdictions, and licenses and permits.

Operating grants and contributions restricted to specific programs is the largest source of revenue for Scioto County. Despite increases in charges for services and sales and capital grants and contribution, operating grants and contributions decreased by \$2,776,805, which resulted in an overall decrease in program revenues. The major recipients of operating grants and contributions were the Public Assistance, Motor Vehicle Gas Tax, Board of Developmental Disabilities, and Children Services Funds. The decrease in operating grants and contributions is mainly due to a decrease in grants related to public works.

General revenues increased \$3,592,894. Revenue increased mainly due to increases in property taxes, permissive and other local taxes, and investment earnings/interest.

Legislative and Executive made up \$14,624,253 of total expenses and increased \$1,436,284 compared to 2022. Health accounted for \$14,720,786 of total expenses for governmental activities and increased \$3,370,059. Overall, expenses increased \$7,468,903 mainly due to an increase in staff.

**SCIOTO COUNTY, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

---

***Business-Type Activity***

The net position for business-type activity increased \$850,060 during 2023. The increase in 2023 is mainly due to revenues outpacing expenditures.

**THE COUNTY'S FUNDS**

Information about the County's major governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$84,099,821 and expenditures of \$85,653,963.

The General Fund balance decreased \$2,810,655 in 2023, which was mostly due to an increase in expenditures in 2023 when compared to 2022. Expenditures increased mainly due to an increase in sheriff staff expenditures.

The Public Assistance fund balance decreased \$163,438, which was mostly due to an increase in expenditures compared to 2022.

The Motor Vehicle Gas Tax fund balance increased \$1,122,263 mainly due to revenues and transfers in outpacing expenses and transfers out for the year.

The Board of Developmental Disabilities fund balance decreased \$1,340,996 in 2023. The fund balance decreased mainly due to an increase in expenditures in 2023.

The Children Services Fund balance decreased \$227,619, which is mainly due to a decrease in revenues compared to 2022.

The Local Fiscal Recovery Fund had no net change. There was no fund balance as all unspent monies at December 31, 2023, are recorded as unearned revenues.

The Sewer Funds net position increased \$850,060 mainly due to an increase in revenues.

**SCIOTO COUNTY, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

---

***General Fund Budgeting Highlights***

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The County's budget is adopted on a line item basis. Before the budget is adopted, the County Commissioners review detailed budget worksheets of each function within the General Fund and then adopt the budget at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

During 2023, the County amended its General Fund budget as needed. There was an increase from original budget revenue amounts to the final budget revenue amounts of \$3,823,536. The increase from the final budget revenue to the actual revenues is mainly due to an increase in sales tax revenue. Sales tax revenue increased due to the economy continuing to return to pre-pandemic activity levels.

Total variance from original budget expenditure amounts to the final budget expenditure amounts increased mostly in legislative and executive due to greater costs associated with various purposes such as utilities, maintenance, supplies and health insurance costs which were not anticipated in the original budget. The variances from final budget expenditure amounts to actual amounts decreased in all expenditure categories with the largest in legislative and executive and sheriff. This decrease was mainly due monitoring expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

During 2023, the County had additions in nondepreciable and depreciable assets of \$4,022,624 and \$10,725,596 respectively, in the governmental activities. These were mainly the result of construction in progress projects beginning during the year but not completed as well as some projects being completed and added to infrastructure.

The additions to construction in progress and depreciable assets consisted of \$266,654 and \$4,819,261, respectively, in the business-type activities. These were related to sewer construction projects, along with some projects being completed and added to infrastructure. See Note 10 of the notes to the basic financial statements for more detailed capital assets information.

***Debt***

At December 31, 2023, Scioto County had \$3,434,631 in long-term debt outstanding in governmental activities. This included \$2,553,092 of general obligation bonds and premium, \$797,143 in leases and \$84,396 in financed purchases payable.

The amount of long-term debt in the business-type activity was \$23,433,665 which consisted of \$3,559,869 in general obligation bonds, \$704,064 in Ohio Public Works Commission (OPWC) loans, and \$19,169,732 in the Ohio Water Development Authority (OWDA) and the United States Department of Agriculture (USDA) loans.

The County's total legal debt margin was \$33,591,604 with an unvoted debt margin of \$14,009,649 at December 31, 2023.



**SCIOTO COUNTY, OHIO**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023  
Unaudited

---

The County's long-term obligations also included compensated absences and net pension/OPEB liability for governmental and business-type activities.

See Note 16 of the notes to the basic financial statements for more detailed information.

**CURRENT ISSUES**

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 County will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

**CONTACTING THE COUNTY AUDITOR'S OFFICE**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact David L. Green, County Auditor, Scioto County, 602 Seventh Street, Room 103, Portsmouth, Ohio 45662.

This page intentionally left blank.

**SCIOTO COUNTY, OHIO**  
Statement of Net Position  
December 31, 2023

	Primary Government			
	Governmental Activities	Business-Type Activity	Total	Component Units
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$45,024,072	\$8,033,898	\$53,057,970	\$1,587,863
Cash and Cash Equivalents in Segregated Accounts	200,418	327,851	528,269	0
Cash and Cash Equivalents with Trustee	0	0	0	96,712
Accrued Interest Receivable	35,794	0	35,794	0
Materials and Supplies Inventory	825,628	26,914	852,542	0
Accounts Receivable	435,967	2,398,077	2,834,044	1,174
Prepaid Items	664,383	47,348	711,731	818
Sales Tax Receivable	3,912,545	0	3,912,545	0
Property Taxes Receivable	15,827,999	0	15,827,999	0
Revenue in Lieu of Taxes Receivable	21,600	0	21,600	0
Due from Other Governments	10,532,928	246,863	10,779,791	6,386
Loans Receivable	105,350	0	105,350	0
Lease Receivable	0	0	0	5,893,691
Notes Receivable	370,984	0	370,984	0
Equity Interest in Joint Venture	446,790	0	446,790	0
Unamortized Bond Discount	0	0	0	68,748
Assets Held for Resale	0	0	0	1,353,115
Net Pension Asset	96,240	3,904	100,144	0
Net OPEB Asset	103,809	0	103,809	0
Capital Assets:				
Land and Construction in Progress	4,227,057	665,275	4,892,332	1,464,049
Depreciable Capital Assets, Net	86,965,341	57,307,059	144,272,400	13,112,913
<i>Total Assets</i>	<u>169,796,905</u>	<u>69,057,189</u>	<u>238,854,094</u>	<u>23,585,469</u>
<b><u>Deferred Outflows Of Resources:</u></b>				
Deferred Charge On Refunding	74,196	837,236	911,432	0
Pension	18,953,593	759,189	19,712,782	0
OPEB	2,765,868	111,232	2,877,100	0
<i>Total Deferred Outflows of Resources</i>	<u>21,793,657</u>	<u>1,707,657</u>	<u>23,501,314</u>	<u>0</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	2,720,743	328,015	3,048,758	14,888
Contracts Payable	1,596,480	2,200	1,598,680	5,352
Accrued Wages Payable	877,525	0	877,525	0
Due to Other Governments	1,568,073	115,838	1,683,911	0
Payroll Withholdings	277,550	10,907	288,457	0
Accrued Interest Payable	8,059	270,952	279,011	17,576
Matured Compensated Absences Payable	47,212	0	47,212	0
Compensatory Time Payable	154,506	36,716	191,222	0
Retainage Payable	12,859	0	12,859	0
Accrued Liabilities	0	0	0	46,673
Due to Grantors	0	0	0	39,264
Unearned Revenue	5,787,442	0	5,787,442	135,320
Long-Term Liabilities:				
Due Within One Year	2,205,138	818,129	3,023,267	235,000
Due in More Than One Year:				
Net Pension Liability	46,139,189	1,823,909	47,963,098	0
Net OPEB Liability	908,325	36,826	945,151	0
Other Amounts	3,674,023	22,760,460	26,434,483	5,640,000
<i>Total Liabilities</i>	<u>65,977,124</u>	<u>26,203,952</u>	<u>92,181,076</u>	<u>6,134,073</u>
<b><u>Deferred Inflows Of Resources:</u></b>				
Deferred Charge on Refunding	0	762,836	762,836	0
Property Taxes	13,597,017	0	13,597,017	0
Revenue In Lieu Of Taxes	21,600	0	21,600	0
Leases	0	0	0	5,893,691
Pension	448,909	12,680	461,589	0
OPEB	387,593	12,221	399,814	0
<i>Total Deferred Inflows Of Resources</i>	<u>14,455,119</u>	<u>787,737</u>	<u>15,242,856</u>	<u>5,893,691</u>
<b><u>Net Position:</u></b>				
Net Investment in Capital Assets	86,222,624	34,717,877	120,940,501	8,865,769
Restricted for:				
Debt Service	67,353	0	67,353	0
Capital Projects	3,953,263	0	3,953,263	0
Public Safety	2,584,889	0	2,584,889	0
Human Services	6,736,301	0	6,736,301	0
Public Works	10,070,362	0	10,070,362	0
Health	9,760,348	0	9,760,348	0
Community and Economic Development	642,455	0	642,455	60,100
Transportation	609,058	0	609,058	0
Judicial	948,917	0	948,917	0
Legislative and Executive	2,335,065	0	2,335,065	0
Conservation and Recreation	24,447	0	24,447	0
Pension/OPEB Plans	200,049	3,904	203,953	0
Unrestricted (Deficit)	<u>(12,996,812)</u>	<u>9,051,376</u>	<u>(3,945,436)</u>	<u>2,631,836</u>
<i>Total Net Position</i>	<u>\$111,158,319</u>	<u>\$43,773,157</u>	<u>\$154,931,476</u>	<u>\$11,557,705</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Activities  
For the Year Ended December 31, 2023

		Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<b><u>Governmental Activities:</u></b>				
General Government:				
Legislative and Executive	\$14,624,253	\$2,357,032	\$10,000	\$6,386
Judicial	4,379,180	1,218,380	607,510	0
Public Safety:				
Sheriff	11,881,243	3,726,412	541,683	0
Other	5,936,534	430,001	3,699,029	0
Public Works	3,410,674	429,295	6,226,583	6,450,764
Health	14,720,786	687,494	4,512,709	0
Human Services	21,710,181	439,306	15,110,715	0
Conservation and Recreation	853,188	57,526	400	0
Economic Development and Assistance	2,221,900	71,837	1,901,116	0
Transportation	993,776	436,833	492,680	0
Interest	1,018,388	0	0	0
<i>Total Governmental Activities</i>	81,750,103	9,854,116	33,102,425	6,457,150
<b><u>Business-Type Activity:</u></b>				
Sewer	5,724,698	5,720,681	0	149,904
<i>Total Primary Government</i>	\$87,474,801	\$15,574,797	\$33,102,425	\$6,607,054
<i>Component Units</i>	\$2,092,295	\$743,933	\$3,793,032	\$439,051

**General Revenues:**

Property Taxes Levied for:  
     General Purposes  
     Board of Developmental Disabilities  
     Children Services  
     Other Purposes  
 Other Local Taxes  
 Sales Tax  
 Revenue in Lieu of Taxes  
 Grants and Entitlements not Restricted to Specific Programs  
 Investment Earnings/Interest  
 Contributions and Donations  
 Gain on Sale of Capital Assets  
 Miscellaneous  
 Transfers

*Total General Revenues*

Change in Net Position

*Net Position at Beginning of Year*

*Net Position at End of Year*

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activity	Total	Component Units
(\$12,250,835)	\$0	(\$12,250,835)	\$0
(2,553,290)	0	(2,553,290)	0
(7,613,148)	0	(7,613,148)	0
(1,807,504)	0	(1,807,504)	0
9,695,968	0	9,695,968	0
(9,520,583)	0	(9,520,583)	0
(6,160,160)	0	(6,160,160)	0
(795,262)	0	(795,262)	0
(248,947)	0	(248,947)	0
(64,263)	0	(64,263)	0
(1,018,388)	0	(1,018,388)	0
(32,336,412)	0	(32,336,412)	0
0	145,887	145,887	0
(32,336,412)	145,887	(32,190,525)	0
0	0	0	2,883,721
2,601,871	0	2,601,871	0
6,690,743	0	6,690,743	0
3,677,670	0	3,677,670	0
715,388	0	715,388	0
1,086,931	0	1,086,931	0
14,990,736	0	14,990,736	0
2,768	0	2,768	0
2,674,874	0	2,674,874	0
587,911	0	587,911	146,954
0	0	0	0
38,181	0	38,181	4,664
1,561,507	719,173	2,280,680	0
15,000	(15,000)	0	0
34,643,580	704,173	35,347,753	151,618
2,307,168	850,060	3,157,228	3,035,339
108,851,151	42,923,097	151,774,248	8,522,366
\$111,158,319	\$43,773,157	\$154,931,476	\$11,557,705

**SCIOTO COUNTY, OHIO**

Balance Sheet  
Governmental Funds  
December 31, 2023

	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$7,773,386	\$584,518	\$6,836,472	\$7,749,445
Cash and Cash Equivalents in				
Segregated Accounts	65,337	0	0	0
Receivables:				
Sales Tax	3,912,545	0	0	0
Property Taxes	3,083,919	0	0	7,780,002
Accounts	29,763	0	0	4,737
Accrued Interest	35,794	0	0	0
Interfund	400,329	0	0	0
Revenue in Lieu of Taxes	0	0	0	14,400
Due from Other Governments	1,266,587	1,303,810	3,088,242	1,705,454
Prepaid Items	387,737	81,439	26,643	81,475
Materials and Supplies Inventory	117,822	24,255	667,968	6,003
Due from Other Funds	209,910	18,796	470	0
Notes Receivable	370,984	0	0	0
Loans Receivable	87,500	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	619,808	0	0	0
<b>Total Assets</b>	<b>\$18,361,421</b>	<b>\$2,012,818</b>	<b>\$10,619,795</b>	<b>\$17,341,516</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$1,029,910	\$131,757	\$252,235	\$244,768
Contracts Payable	1,940	0	297,545	0
Accrued Wages Payable	109,769	112,238	25,871	584,776
Due to Other Governments	665,445	94,442	54,608	611,941
Due to Other Funds	38,765	98,376	0	10,829
Payroll Withholdings	144,836	36,061	11,719	38,521
Interfund Payable	0	0	0	0
Retainage Payable	3,000	0	0	0
Matured Compensated Absences Payable	14,890	31,665	0	657
Unearned Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>2,008,555</b>	<b>504,539</b>	<b>641,978</b>	<b>1,491,492</b>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes not Levied to Finance Current				
Year Operations	2,620,130	0	0	6,709,989
Payment in Lieu of Taxes not Intended to Finance				
Current Year Operations	0	0	0	14,400
Unavailable Revenue	2,755,882	268,093	2,116,501	2,387,602
<b>Total Deferred Inflows of Resources</b>	<b>5,376,012</b>	<b>268,093</b>	<b>2,116,501</b>	<b>9,111,991</b>
<b><u>Fund Balances:</u></b>				
Nonspendable	1,195,367	105,694	694,611	87,478
Restricted	0	1,134,492	7,166,705	6,650,555
Committed	0	0	0	0
Assigned	4,079,230	0	0	0
Unassigned (Deficit)	5,702,257	0	0	0
<b>Total Fund Balances</b>	<b>10,976,854</b>	<b>1,240,186</b>	<b>7,861,316</b>	<b>6,738,033</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$18,361,421</b>	<b>\$2,012,818</b>	<b>\$10,619,795</b>	<b>\$17,341,516</b>

See Accompanying Notes to the Basic Financial Statements

Children Services Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total
\$917,774	\$5,781,934	\$14,760,735	\$44,404,264
0	0	135,081	200,418
0	0	0	3,912,545
4,154,942	0	809,136	15,827,999
0	0	401,467	435,967
0	0	0	35,794
0	0	0	400,329
3,600	0	3,600	21,600
602,973	0	2,565,862	10,532,928
0	0	87,089	664,383
0	0	9,580	825,628
10,829	0	118,175	358,180
0	0	0	370,984
0	0	17,850	105,350
0	0	0	619,808
<u>\$5,690,118</u>	<u>\$5,781,934</u>	<u>\$18,908,575</u>	<u>\$78,716,177</u>

\$601,028	\$108,396	\$352,649	\$2,720,743
0	0	1,296,995	1,596,480
0	0	44,871	877,525
8,173	0	133,464	1,568,073
0	150,000	60,210	358,180
0	0	46,413	277,550
0	0	400,329	400,329
0	6,050	3,809	12,859
0	0	0	47,212
0	5,517,488	269,954	5,787,442
<u>609,201</u>	<u>5,781,934</u>	<u>2,608,694</u>	<u>13,646,393</u>

3,564,561	0	702,337	13,597,017
3,600	0	3,600	21,600
<u>1,160,011</u>	<u>0</u>	<u>1,227,918</u>	<u>9,916,007</u>
<u>4,728,172</u>	<u>0</u>	<u>1,933,855</u>	<u>23,534,624</u>

0	0	96,669	2,179,819
352,745	0	14,167,937	29,472,434
0	0	320,744	320,744
0	0	6,172	4,085,402
0	0	(225,496)	5,476,761
<u>352,745</u>	<u>0</u>	<u>14,366,026</u>	<u>41,535,160</u>
<u>\$5,690,118</u>	<u>\$5,781,934</u>	<u>\$18,908,575</u>	<u>\$78,716,177</u>

**SCIOTO COUNTY, OHIO**  
Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2023

<b>Total Governmental Fund Balances</b>		\$41,535,160
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		91,192,398
The County has an equity interest in joint venture assets, which is part of the County's overall governmental activities.		446,790
Other long-term assets will not be available to pay current-period expenditures and, therefore, are offset by deferred inflows of resources in the funds:		
Sales tax	1,461,840	
Delinquent property taxes	2,230,982	
Accounts	533,753	
Intergovernmental	5,674,779	
Interest	14,653	
Total	<u>9,916,007</u>	9,916,007
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current year financial resources and, therefore, are not reported in the funds.		74,196
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.		(8,059)
The net pension and net OPEB liabilities (asset) are not due and payable in the current period; therefore, the liabilities (asset) and related deferred inflows/outflows are not reported in governmental funds.		
Net Pension Asset	96,240	
Net OPEB Asset	103,809	
Deferred Outflows - Pension	18,953,593	
Deferred Outflows - OPEB	2,765,868	
Net Pension Liability	(46,139,189)	
Net OPEB Liability	(908,325)	
Deferred Inflows - Pension	(448,909)	
Deferred Inflows - OPEB	(387,593)	
Total	<u>(25,964,506)</u>	(25,964,506)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(2,553,092)	
Leases payable	(797,143)	
Financed purchase payable	(84,396)	
Compensated absences	(2,444,530)	
Accrued compensatory time payable	(154,506)	
Total liabilities	<u>(6,033,667)</u>	(6,033,667)
<b>Net Position of Governmental Activities</b>		<u><u>\$111,158,319</u></u>

See Accompanying Notes to the Basic Financial Statements



**This page intentionally left blank.**

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2023

	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund
<b><u>Revenues:</u></b>				
Property Taxes	\$2,645,841	\$0	\$0	\$6,797,144
Other Local Taxes	716,832	0	0	0
Sales Tax	14,824,234	0	0	0
Permissive Motor Vehicle License Taxes	370,099	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Charges for Services	3,202,494	184,468	425,335	19,526
Licenses and Permits	4,596	0	0	0
Fines, Forfeitures, and Settlements	136,131	0	3,960	0
Intergovernmental	3,101,815	9,607,106	6,152,188	4,288,028
Investment Earnings/Interest	509,276	0	32,279	887
Rent	0	0	0	37,537
Contributions and Donations	0	0	0	14,657
Miscellaneous	377,328	162,890	7,039	666,346
<b>Total Revenues</b>	<b>25,888,646</b>	<b>9,954,464</b>	<b>6,620,801</b>	<b>11,824,125</b>
<b><u>Expenditures:</u></b>				
Current:				
General Government:				
Legislative and Executive	12,245,971	0	0	0
Judicial	3,458,242	0	0	0
Public Safety:				
Sheriff	7,347,913	0	0	0
Other	1,743,251	0	0	0
Public Works	0	0	4,545,942	0
Health	559,069	0	0	13,130,178
Human Services	579,966	10,275,570	0	0
Conservation and Recreation	721,148	0	0	0
Economic Development and Assistance	751,278	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	0	282,357	0
Debt Service:				
Principal Retirement	90,859	6,493	0	25,178
Interest	659,051	541	0	9,765
<b>Total Expenditures</b>	<b>28,156,748</b>	<b>10,282,604</b>	<b>4,828,299</b>	<b>13,165,121</b>
Excess of Revenues Over (Under) Expenditures	(2,268,102)	(328,140)	1,792,502	(1,340,996)
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds From Sale of Capital Assets	9,500	0	73,550	0
Inception of Lease	634,883	0	0	0
Transfers In	285,400	217,662	537,777	0
Transfers Out	(1,472,336)	(52,960)	(1,281,566)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(542,553)</b>	<b>164,702</b>	<b>(670,239)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(2,810,655)</b>	<b>(163,438)</b>	<b>1,122,263</b>	<b>(1,340,996)</b>
<b>Fund Balances at Beginning of Year</b>	<b>13,787,509</b>	<b>1,403,624</b>	<b>6,739,053</b>	<b>8,079,029</b>
<b>Fund Balances at End of Year</b>	<b>\$10,976,854</b>	<b>\$1,240,186</b>	<b>\$7,861,316</b>	<b>\$6,738,033</b>

See Accompanying Notes to the Basic Financial Statements

Children Services Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total
\$3,729,697	\$0	\$725,702	\$13,898,384
0	0	0	716,832
0	0	0	14,824,234
0	0	0	370,099
968	0	1,800	2,768
10,829	0	4,795,244	8,637,896
0	0	74,578	79,174
0	0	685,195	825,286
4,240,877	3,577,403	11,801,800	42,769,217
0	38,577	102	581,121
0	0	0	37,537
9,015	0	2,833	26,505
0	0	117,165	1,330,768
7,991,386	3,615,980	18,204,419	84,099,821
0	258,396	1,425,718	13,930,085
0	0	492,863	3,951,105
0	0	3,236,054	10,583,967
0	1,250,379	2,132,488	5,126,118
0	0	3,913	4,549,855
0	0	468,284	14,157,531
8,717,335	0	1,652,815	21,225,686
0	0	0	721,148
0	1,008,019	439,312	2,198,609
0	0	913,487	913,487
0	599,186	5,674,947	6,556,490
0	0	606,865	729,395
0	0	341,130	1,010,487
8,717,335	3,115,980	17,387,876	85,653,963
(725,949)	500,000	816,543	(1,554,142)
0	0	11,100	94,150
0	0	219,210	854,093
500,000	0	2,629,788	4,170,627
(1,670)	(500,000)	(847,095)	(4,155,627)
498,330	(500,000)	2,013,003	963,243
(227,619)	0	2,829,546	(590,899)
580,364	0	11,536,480	42,126,059
\$352,745	\$0	\$14,366,026	\$41,535,160

**SCIOTO COUNTY, OHIO**  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2023

---

**Net Change in Fund Balances - Total Governmental Funds** (\$590,899)

*Amounts reported for governmental activities in the  
Statement of Activities are different because:*

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	6,823,662	
Construction in progress additions	4,017,080	
Depreciation expense	<u>(5,054,257)</u>	
Excess of capital outlay over depreciation expense		5,786,485

Governmental funds report only the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.

Proceeds from the sale of capital assets	(94,150)	
Gain on disposal of capital assets	<u>38,181</u>	
		(55,969)

Because some revenues will not be collected for several months after the County's year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the funds. Deferred inflows of resources related to the following items changed by the amounts shown below:

Delinquent property taxes	(212,712)	
Sales tax	166,502	
Investment Earnings	6,790	
Charges for services	(3,589)	
Fines and Forfeitures	277,025	
Rentals	787	
Intergovernmental	(561,273)	
Miscellaneous	<u>230,739</u>	
Total revenues		(95,731)

The decrease in the County's equity interest of its joint venture is not reported in the governmental fund statements but is included in program expenses in the Statement of Activities.

(16,546)

Some capital assets were financed through leases. In governmental funds, a lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability.

(854,093)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	3,620,788	
OPEB	<u>12,933</u>	
Total		3,633,721

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability (asset) are reported as pension expense in the Statement of Activities.

Pension	(7,444,532)	
OPEB	<u>1,268,283</u>	
Total		(6,176,249)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Bond principal payments	515,000	
Financed purchase payments	13,341	
Lease payments	<u>201,054</u>	
Total long-term debt repayments		\$729,395

(continued)

**SCIOTO COUNTY, OHIO**  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2023  
(Continued)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
	Increase in compensated absences payable	(\$28,379)
	Increase in accrued compensatory time payable	(16,666)
Total		(45,045)
Amortization of bond premiums as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as an expense over the life of the debt in the Statement of Activities.		
	Decrease in accrued interest	1,594
	Amortization of Deferred Charge on Refunding	(14,569)
	Amortization of premium on general obligation bonds	5,074
Total		(7,901)
<b>Change in Net Position of Governmental Activities</b>		<b>\$2,307,168</b>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance With Final Budget</i>
<b><u>Revenues:</u></b>				
Property Taxes	\$2,230,000	\$2,630,000	\$2,650,969	\$20,969
Other Local Taxes	555,600	680,600	716,832	36,232
Sales Tax	12,750,000	14,200,000	14,829,813	629,813
Charges for Services	1,378,200	2,053,100	2,261,674	208,574
Licenses and Permits	4,500	4,500	4,596	96
Fines, Forfeitures, and Settlements	186,000	186,000	167,338	(18,662)
Intergovernmental	2,436,250	3,040,250	3,297,656	257,406
Interest	135,000	285,000	312,562	27,562
Miscellaneous	4,600	424,236	382,750	(41,486)
<i>Total Revenues</i>	<u>19,680,150</u>	<u>23,503,686</u>	<u>24,624,190</u>	<u>1,120,504</u>
<b><u>Expenditures:</u></b>				
Current:				
General Government:				
Legislative and Executive	11,581,290	14,002,173	13,675,768	326,405
Judicial	2,067,875	2,832,573	2,762,267	70,306
Public Safety:				
Sheriff	4,604,219	7,515,714	7,374,848	140,866
Other	1,273,093	1,780,060	1,762,618	17,442
Health	415,519	530,132	528,325	1,807
Human Services	528,969	591,376	579,582	11,794
Conservation and Recreation	242,059	724,427	697,849	26,578
Economic Development and Assistance	188,922	772,450	743,319	29,131
Debt Service:				
Principal Retirement	90,859	90,859	90,859	0
Interest	24,168	24,168	24,168	0
<i>Total Expenditures</i>	<u>21,016,973</u>	<u>28,863,932</u>	<u>28,239,603</u>	<u>624,329</u>
Excess of Revenues Under Expenditures	<u>(1,336,823)</u>	<u>(5,360,246)</u>	<u>(3,615,413)</u>	<u>1,744,833</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds From Sale of Capital Assets	9,500	9,500	9,500	0
Advances Out	0	(360,000)	(360,000)	0
Transfers In	0	271,864	311,922	40,058
Transfers Out	(1,177,353)	(2,200,766)	(1,761,881)	438,885
<i>Total Other Financing Sources (Uses)</i>	<u>(1,167,853)</u>	<u>(2,279,402)</u>	<u>(1,800,459)</u>	<u>478,943</u>
<i>Net Change in Fund Balance</i>	<u>(2,504,676)</u>	<u>(7,639,648)</u>	<u>(5,415,872)</u>	<u>2,223,776</u>
<i>Fund Balance at Beginning of Year</i>	<u>7,254,889</u>	<u>7,254,889</u>	<u>7,254,889</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>759,511</u>	<u>759,511</u>	<u>759,511</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$5,509,724</u>	<u>\$374,752</u>	<u>\$2,598,528</u>	<u>\$2,223,776</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Public Assistance Special Revenue Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance With
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
<b><u>Revenues:</u></b>				
Charges for Services	\$173,000	\$173,000	\$181,279	\$8,279
Intergovernmental	10,950,000	9,833,336	9,698,161	(135,175)
Miscellaneous	80,350	80,350	164,584	84,234
<i>Total Revenues</i>	<u>11,203,350</u>	<u>10,086,686</u>	<u>10,044,024</u>	<u>(42,662)</u>
<b><u>Expenditures:</u></b>				
Current:				
Human Services	12,666,864	11,039,097	10,802,626	236,471
Debt Service:				
Principal Retirement	6,493	6,493	6,493	0
Interest and Fiscal Charges	541	541	541	0
<i>Total Expenditures</i>	<u>12,673,898</u>	<u>11,046,131</u>	<u>10,809,660</u>	<u>236,471</u>
Excess of Revenues Under Expenditures	<u>(1,470,548)</u>	<u>(959,445)</u>	<u>(765,636)</u>	<u>193,809</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	175,000	175,000	217,662	42,662
Transfers Out	(110,000)	(52,960)	(52,960)	0
<i>Total Other Financing Sources (Uses)</i>	<u>65,000</u>	<u>122,040</u>	<u>164,702</u>	<u>42,662</u>
<i>Net Change in Fund Balance</i>	<u>(1,405,548)</u>	<u>(837,405)</u>	<u>(600,934)</u>	<u>236,471</u>
<i>Fund Balance at Beginning of Year</i>	187,293	187,293	187,293	0
<i>Prior Year Encumbrances Appropriated</i>	<u>653,148</u>	<u>653,148</u>	<u>653,148</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$565,107)</u>	<u>\$3,036</u>	<u>\$239,507</u>	<u>\$236,471</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Motor Vehicle Gas Tax Special Revenue Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance With Final Budget</i>
<b><u>Revenues:</u></b>				
Charges for Services	\$0	\$0	\$71,524	\$71,524
Fines, Forfeitures, and Settlements	5,000	5,000	4,072	(928)
Intergovernmental	5,490,000	5,490,000	6,069,060	579,060
Interest	5,000	5,000	31,262	26,262
Miscellaneous	0	0	297,925	297,925
<i>Total Revenues</i>	5,500,000	5,500,000	6,473,843	973,843
<b><u>Expenditures:</u></b>				
Current:				
Public Works	5,552,293	5,793,293	5,029,314	763,979
Excess of Revenues Over (Under) Expenditures	(52,293)	(293,293)	1,444,529	1,737,822
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	0	0	73,550	73,550
Transfers In	0	0	537,777	537,777
Transfers Out	(576,566)	(1,281,566)	(1,281,566)	0
<i>Total Other Financing Sources (Uses)</i>	(576,566)	(1,281,566)	(670,239)	611,327
<i>Net Change in Fund Balance</i>	(628,859)	(1,574,859)	774,290	2,349,149
<i>Fund Balance at Beginning of Year</i>	4,918,953	4,918,953	4,918,953	0
<i>Prior Year Encumbrances Appropriated</i>	128,859	128,859	128,859	0
<i>Fund Balance at End of Year</i>	<u>\$4,418,953</u>	<u>\$3,472,953</u>	<u>\$5,822,102</u>	<u>\$2,349,149</u>

See Accompanying Notes to the Basic Financial Statements



**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Board of Developmental Disabilities Special Revenue Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance With
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
<b><u>Revenues:</u></b>				
Property Taxes	\$6,585,000	\$6,585,000	\$6,805,738	\$220,738
Charges for Services	0	0	19,526	19,526
Intergovernmental	3,210,000	3,210,000	4,263,761	1,053,761
Rent	26,000	26,000	38,247	12,247
Contributions and Donations	15,000	15,000	14,657	(343)
Miscellaneous	479,000	479,000	495,629	16,629
<i>Total Revenues</i>	<u>10,315,000</u>	<u>10,315,000</u>	<u>11,637,558</u>	<u>1,322,558</u>
<b><u>Expenditures:</u></b>				
Current:				
Health	10,153,407	12,374,807	12,317,551	57,256
Debt Service:				
Principal Retirement	25,178	25,178	25,178	0
Interest and Fiscal Charges	9,765	9,765	9,765	0
<i>Total Expenditures</i>	<u>10,188,350</u>	<u>12,409,750</u>	<u>12,352,494</u>	<u>57,256</u>
Excess of Revenues Over (Under) Expenditures	<u>126,650</u>	<u>(2,094,750)</u>	<u>(714,936)</u>	<u>1,379,814</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	10,000	10,000
Transfers Out	(700,000)	(268,000)	(268,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(700,000)</u>	<u>(268,000)</u>	<u>(258,000)</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	<u>(573,350)</u>	<u>(2,362,750)</u>	<u>(972,936)</u>	<u>1,389,814</u>
<i>Fund Balance at Beginning of Year</i>	<u>7,458,777</u>	<u>7,458,777</u>	<u>7,458,777</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$6,885,427</u>	<u>\$5,096,027</u>	<u>\$6,485,841</u>	<u>\$1,389,814</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Children Services Special Revenue Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance With Final Budget</i>
<b><u>Revenues:</u></b>				
Property Taxes	\$3,240,000	\$3,240,000	\$3,734,744	\$494,744
Revenue in Lieu of Taxes	400	400	968	568
Intergovernmental	5,240,000	5,240,000	4,597,481	(642,519)
Contributions and Donations	7,500	7,500	17,600	10,100
Miscellaneous	25,000	25,000	0	(25,000)
<i>Total Revenues</i>	8,512,900	8,512,900	8,350,793	(162,107)
<b><u>Expenditures:</u></b>				
Current:				
Human Services	7,159,246	9,259,576	8,981,183	278,393
Excess of Revenues Over (Under) Expenditures	1,353,654	(746,676)	(630,390)	116,286
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	500,000	500,000
Transfers Out	0	(1,670)	(1,670)	0
Total Other Financing Sources (Uses)	0	(1,670)	498,330	500,000
<i>Net Change in Fund Balance</i>	1,353,654	(748,346)	(132,060)	616,286
<i>Fund Balance at Beginning of Year</i>	733,155	733,155	733,155	0
<i>Prior Year Encumbrances Appropriated</i>	15,707	15,707	15,707	0
<i>Fund Balance at End of Year</i>	<u>\$2,102,516</u>	<u>\$516</u>	<u>\$616,802</u>	<u>\$616,286</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Local Fiscal Recovery Special Revenue Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance With Final Budget</i>
<b><u>Revenues:</u></b>				
Interest	\$0	\$0	\$39,788	\$39,788
<b><u>Expenditures:</u></b>				
Current:				
General Government				
Public Safety				
Other	438,493	2,259,477	1,282,190	977,287
Economic Development and Assistance	353,501	1,821,524	1,033,664	787,860
Capital Outlay	208,006	1,071,817	608,226	463,591
Total Expenditures	1,000,000	5,152,818	2,924,080	2,228,738
Excess of Revenues Under Expenditures	(1,000,000)	(5,152,818)	(2,884,292)	2,268,526
<b><u>Other Financing Uses:</u></b>				
Transfers Out	(500,000)	(500,000)	(500,000)	0
<i>Net Change in Fund Balance</i>	(1,500,000)	(5,652,818)	(3,384,292)	2,268,526
<i>Fund Balance at Beginning of Year</i>	9,090,605	9,090,605	9,090,605	0
<i>Fund Balance at End of Year</i>	<u>\$7,590,605</u>	<u>\$3,437,787</u>	<u>\$5,706,313</u>	<u>\$2,268,526</u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Fund Net Position  
Enterprise Fund  
December 31, 2023

	<i>Sewer Fund</i>
<b><u>Current Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$8,033,898
Cash and Cash Equivalents in Segregated Accounts	327,851
Materials and Supplies Inventory	26,914
Accounts Receivable	2,398,077
Due from Other Governments	246,863
Prepaid Items	47,348
	<hr/>
<i>Total Current Assets</i>	11,080,951
	<hr/>
<b><u>Non Current Assets:</u></b>	
Net Pension Asset	3,904
Capital Assets:	
Nondepreciable Capital Assets	665,275
Depreciable Capital Assets, Net	57,307,059
	<hr/>
<i>Total Non Current Assets</i>	57,976,238
	<hr/>
<i>Total Assets</i>	69,057,189
	<hr/>
<b><u>Deferred Outflows of Resources:</u></b>	
Deferred Charge on Refunding	837,236
Pension	759,189
OPEB	111,232
	<hr/>
<i>Total Deferred Outflows of Resources</i>	1,707,657
	<hr/>
<b><u>Current Liabilities:</u></b>	
Accounts Payable	328,015
Contracts Payable	2,200
Due to Other Governments	115,838
Payroll Withholdings	10,907
Accured Interest Payable	270,952
Compensatory Time Payable	36,716
General Obligation Bonds Payable	170,000
Loans Payable	306,280
Ohio Public Works Commission Loans Payable	75,264
Ohio Water Development Authority Loans Payable	180,842
Compensated Absences Payable	85,743
	<hr/>
<i>Total Current Liabilities</i>	1,582,757
	<hr/>
<b><u>Long-Term Liabilities (Net of Current Portion):</u></b>	
General Obligation Bonds Payable	3,389,869
Loans Payable	16,347,890
Ohio Public Works Commission Loans Payable	628,800
Ohio Water Development Authority Loans Payable	2,334,720
Compensated Absences Payable	59,181
Net Pension Liability	1,823,909
Net OPEB Liability	36,826
	<hr/>
<i>Total Long-Term Liabilities</i>	24,621,195
	<hr/>
<i>Total Liabilities</i>	26,203,952
	<hr/>
<b><u>Deferred Inflows of Resources:</u></b>	
Deferred Charge on Refunding	762,836
Pension	12,680
OPEB	12,221
	<hr/>
<i>Total Deferred Inflows of Resources</i>	787,737
	<hr/>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	34,717,877
Pension/OPEB Plans	3,904
Unrestricted	9,051,376
	<hr/>
<i>Total Net Position</i>	\$43,773,157
	<hr/>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Enterprise Fund  
For the Year Ended December 31, 2023

	<u><i>Sewer Fund</i></u>
<b><u>Operating Revenues:</u></b>	
Charges for Services	<u>\$5,720,681</u>
<b><u>Operating Expenses:</u></b>	
Personal Services	1,029,801
Fringe Benefits	694,928
Contractual Services	1,933,580
Materials and Supplies	288,205
Depreciation	1,283,488
Other	<u>1,523</u>
<i>Total Operating Expenses</i>	<u>5,231,525</u>
Operating Income	<u>489,156</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>	
Capital Grants and Contributions	149,904
Other Non-Operating Revenues	719,173
Interest	<u>(493,173)</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>375,904</u>
Income Before Transfers	865,060
Transfers Out	<u>(15,000)</u>
<i>Change in Net Position</i>	850,060
<i>Net Position at Beginning of Year</i>	<u>42,923,097</u>
<i>Net Position at End of Year</i>	<u><u>\$43,773,157</u></u>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Cash Flows  
Enterprise Fund  
For the Year Ended December 31, 2023

	<i>Sewer Fund</i>
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Charges for Services	\$5,675,347
Cash Payments to Suppliers for Goods and Services	(2,209,060)
Cash Payments to Employees	(1,589,118)
Other Nonoperating Revenues	719,173
Cash Payments for Other Operating Expenses	(1,908)
	<hr/>
<i>Net Cash Provided by Operating Activities</i>	2,594,434
	<hr/>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Proceeds of Loans	109,985
Acquisition of Capital Assets	(948,906)
Principal Paid on Bonds and Loans	(743,509)
Interest Paid on Bonds and Loans	(498,516)
Capital Contributions from Other Governments	200,000
	<hr/>
<i>Net Cash Used for Capital and Related Financing Activities</i>	(1,880,946)
	<hr/>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>	
Transfers Out	(15,000)
	<hr/>
<i>Net Increase in Cash and Cash Equivalents</i>	698,488
	<hr/>
<i>Cash and Cash Equivalents at Beginning of Year</i>	7,663,261
	<hr/>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$8,361,749</u>
	<hr/>
<b><u>Reconciliation of Operating Income to Net</u></b>	
<b><u>Cash Provided by Operating Activities:</u></b>	
Operating Income	\$489,156
	<hr/>
<b><u>Adjustments to Reconcile Operating Income</u></b>	
<b><u>to Net Cash Provided by Operating Activities</u></b>	
Depreciation	1,283,488
Other Non-Operating Revenues	719,173
Decrease (Increase) in Assets:	
Materials and Supplies Inventory	(4,452)
Accounts Receivable	(45,334)
Prepaid Items	27,908
Net Pension Asset	357
Deferred Outflows of Resources - Pension	364,516
Deferred Outflows of Resources - OPEB	89,242
Increase (Decrease) in Liabilities:	
Accounts Payable	171,094
Due to Other Governments	101,880
Payroll Withholdings	1,270
Compensatory Time Payable	3,331
Compensated Absences Payable	20,031
Contracts Payable	(125,651)
Retainage Payable	(151,747)
Net Pension Liability	58,848
Net OPEB Liability	(1,572)
Deferred Inflows of Resources - Pension	(267,468)
Deferred Inflows of Resources - OPEB	(139,636)
	<hr/>
Total Adjustments	2,105,278
	<hr/>
<i>Net Cash Provided by Operating Activities</i>	<u>\$2,594,434</u>
	<hr/>

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2023

---

**Assets:**

Equity in Pooled Cash and Cash Equivalents	\$5,897,026
Cash and Cash Equivalents in Segregated Accounts	837,392
Receivables:	
Property Taxes	62,328,932
Accounts	402,833
Revenue in Lieu of Taxes	158,400
Due from Other Governments	<u>3,610,182</u>
<i>Total Assets</i>	<u><u>\$73,234,765</u></u>

**Liabilities:**

Accounts Payable	\$862,366
Due to Other Governments	5,208,208
Payroll Withholdings	<u>104,587</u>
<i>Total Liabilities</i>	<u>6,175,161</u>

**Deferred Inflows of Resources:**

Property Taxes not Levied to Finance Current Year Operations	53,441,630
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	<u>158,400</u>
<i>Total Deferred Inflows of Resources</i>	<u>53,600,030</u>

**Net Position:**

Restricted for Individuals, Organizations and Other Governments	<u><u>\$13,459,574</u></u>
---	----------------------------

See Accompanying Notes to the Basic Financial Statements

**SCIOTO COUNTY, OHIO**  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2023

---

**Additions:**

Intergovernmental	\$8,457,346
Amounts Received as Fiscal Agent	21,835,673
Licenses and Permits and Fees for Other Governments	234,786
Fines and Forfeitures for Other Governments	10,018,300
Property Tax Collections for Other Governments	49,202,423
Special Assessment Collections for Other Governments	188,207
Sheriff Sale Collections for Other Governments	1,418,205
Payment in Lieu of Taxes Collections for Other Governments	185,878
	<hr/>
Total Additions	91,540,818
	<hr/>

**Deductions:**

Distributions as Fiscal Agent	23,328,541
Distributions of State Funds to Other Governments	7,423,972
Distributions to the State of Ohio	9,398,775
Licenses and Permits and Fees Distributions to Other Governments	102,491
Property Tax Distributions to Other Governments	51,425,278
Special Assessment Distributions to Other Governments	183,274
Distributions to Other Governments	1,026,493
Distributions to Individuals	2,612,570
Payment in Lieu of Taxes Distributions for Other Governments	185,877
	<hr/>
Total Deductions	95,687,271
	<hr/>
<i>Change in Fiduciary Net Position</i>	(4,146,453)
<i>Net Position Beginning of Year</i>	17,606,027
	<hr/>
<i>Net Position End of Year</i>	\$13,459,574
	<hr/> <hr/>

See Accompanying Notes to the Basic Financial Statements



**NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY**

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

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

**REPORTING ENTITY**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Scioto County, this includes the Children Services Board, the Scioto County Board of Developmental Disabilities, 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 also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the issuance of its debt or the levying of its taxes. The County has three component units included in its reporting entity.

**DISCRETELY PRESENTED COMPONENT UNITS**

The component unit column in the entity-wide financial statements identify the financial data of the County's discretely presented component units, the Scioto County Airport Authority, the Scioto County Land Reutilization Corporation and the Southern Ohio Port Authority. They are reported separately to emphasize that they are legally separate from the County.

**Scioto County Airport Authority**

The Scioto County Airport Authority (the Airport) operates under a separate board that consists of five members appointed by the County Commissioners. The airport authority generates revenue from sales of fuel and the leasing of equipment and rental space. Grants are applied for in the airport authority's name. The County provides payroll, fringe benefits, some utilities, and contract services. Separately issued financial statements can be obtained from the Scioto County Airport Authority, located at 138 Barklow Road, Portsmouth, Ohio 45662.

*Scioto County Land Reutilization Corporation*

The Scioto County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Scioto County on March 24, 2016, and incorporated on March 29, 2016, under Chapter 1724 of the Ohio Revised Code. The Corporation's governing body is a five member Board of Directors, consisting of the County Treasurer, two County Commissioners, one representative of the City of Portsmouth, and one member representing a township located in Scioto County, selected by the County Treasurer and the two members of the Board of County Commissioners who serve on the Board.

The Corporation was established with the main purpose being 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. Based on two Commissioners serving on the Corporation's Board along with having the ability to appoint other members, the Corporation is presented as a component unit of Scioto County. The Corporation operates on a calendar year ending December 31. Separately issued financial statements can be obtained from Bryan Davis, Board Chair, or William Ogg, Treasurer, at 602 Seventh Street, Portsmouth, Ohio 45662.

*Southern Ohio Port Authority*

The Southern Ohio Port Authority (the Port Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.02 of the Ohio Revised Code. The Port Authority is statutorily created as a separate and distinct political subdivision of the State. The Port Authority is governed by a five member Board of Trustees appointed by the Scioto County Commissioners. Members of the Board are appointed by the Scioto County Commissioners. The purpose of the Port Authority is to be involved in the activities that enhance foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research within Scioto County.

The information presented in Notes 2 through 26 relates to the primary government. Information related to the discretely presented component units is presented in Note 27 and 28.

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 activities of the following districts and agencies are presented as custodial funds within the County's financial statements.

*Scioto County Board of Health*  
*Soil and Water Conservation District*  
*STAR Community Justice Center*

The County is associated with certain organizations which are defined as jointly governed organizations, a joint venture, and a risk sharing pool. These organizations are presented in Notes 18 and 19 to the basic financial statements. These organizations are:

*Adams, Lawrence, Scioto Alcohol, Drug Addiction, and Mental Health Services Board*  
*Ohio Valley Resource Conservation and Development Area, Inc.*  
*Workforce Development Board/SO Consortium*  
*Ohio Valley Regional Development Commission*

*Scioto County Community Action Organization  
Southern Ohio Development Initiative  
Portsmouth Metropolitan Housing Authority  
Southern Ohio Council of Governments  
Joint Economic Development Initiative of Southern Ohio  
Joint Solid Waste District  
County Risk Sharing Authority, Inc. (CORSA)*

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Scioto County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

### **BASIS OF PRESENTATION**

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

### **FUND FINANCIAL STATEMENTS**

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

## **FUND ACCOUNTING**

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

### **GOVERNMENTAL FUNDS**

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

*General Fund* – To account for and report all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Public Assistance Fund* – To account for and report various federal and State resources which are restricted for the purpose of providing public assistance to general relief recipients, paying their providers for medical assistance, and for providing certain public social services.

*Motor Vehicle Gas Tax Fund* – To account for and report revenues derived from motor vehicle licenses and gasoline taxes. Ohio State law restricts these monies to be used for County road and bridge repairs and improvement programs. This fund also accounts for the financial activities of the Scioto County Engineering Department.

*Board of Developmental Disabilities Fund* – To account for and report monies received through a County-wide property tax levy, along with federal and State grants, which are restricted to the operation of a school and assistance to a workshop for the developmentally disabled.

*Children Services Fund* – To account for and report monies received from property tax, federal and State grants, the Social Security Administration, and various other resources restricted to the support of foster homes, medical treatment, school supplies, counseling, and parental assistance.

*Local Fiscal Recovery Fund* - To account for and report monies received from the Federal American Rescue Plan Act, whose use is restricted for local Coronavirus relief.

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

### **PROPRIETARY FUNDS**

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The County's proprietary fund is an enterprise fund.

*Enterprise Fund* – An enterprise fund may be used to account for and report any activity for which a fee is charged to external users for goods or services. The following is the County's only enterprise fund:

*Sewer Fund* – To account for and report the provision of sanitary sewer services to the residents and businesses of the County.

## **FIDUCIARY FUNDS**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The County does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds are primarily established to account for the collection and distribution to other governments of various taxes, receipts and fees and to account for funds of various agencies for which the County serves as fiscal agent.

## **MEASUREMENT FOCUS**

### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position.

### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and current deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the Statement Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

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

## **BASIS OF ACCOUNTING**

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

## **REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales tax, revenue in lieu of taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the year for which the taxes are levied. (See Note 6.) Revenue from permissive sales tax is recognized in the period in which the sales occur. (See Note 8.) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: permissive sales tax, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), federal and State subsidies and grants, interest, and accounts (i.e., charges for services and licenses and permits).

## **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Note 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include deferred charge on refunding, property taxes, revenue in lieu of taxes, pension, OPEB, and unavailable revenue. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes sales tax, delinquent property taxes, accounts, intergovernmental grants, and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

### **EXPENSES/EXPENDITURES**

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

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

### **BUDGETS AND BUDGETARY ACCOUNTING**

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 appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioner's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the object level within each department and fund. Budgetary modifications may only be made by resolution of the County Commissioners. The County reports unbudgeted activity on the financial statements due to the County's unclaimed monies fund being classified as a custodial fund on the County's books, but which is included with the General Fund for GAAP reporting purposes.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Commissioners. 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 final budgeted amounts represent estimates from the amended certificate passed by the County Commissioners before year-end.

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

### **UNEARNED REVENUE**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The County recognizes unearned revenue for intergovernmental revenue received before the eligibility requirements are met.

### **CASH AND CASH EQUIVALENTS**

Cash balances of the County's funds, except cash in segregated accounts, are pooled in order to provide improved cash management. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the financial statements as "Cash and Cash Equivalents in Segregated Accounts." "Restricted Assets: Equity in Pooled Cash and Cash Equivalents" on the balance sheet represents unclaimed monies held by the County to be reclaimed by its rightful owners.

During the year, the County's investments were limited to STAR Ohio and Negotiable Certificates of Deposit.

During 2023, 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 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the General Fund during 2023 amounted to \$509,276, of which \$427,788 was assigned from other funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents.



### **MATERIALS AND SUPPLIES INVENTORY**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

### **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

### **INTERFUND BALANCES**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated on the government-wide Statement of Net Position.

### **CAPITAL ASSETS**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

Descriptions	Estimated Lives
Land Improvements	10-20 years
Buildings and Building Improvements	7-50 years
Infrastructure	5-65 years
Furniture, Fixtures, and Equipment	5-30 years
Vehicles	3-15 years

The County's governmental infrastructure system consists of roads and bridges, which includes box culverts and concrete pipes. The business-type infrastructure system is the sewer system, consisting of sewer lines, pump stations, and relay stations.

The County is reporting intangible right to use assets related to leased furniture, fixtures and equipment and vehicles. The lease assets represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

### **COMPENSATED ABSENCES**

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments. A liability is accrued for all full-time employees based on their sick leave balance at year-end.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

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

### **ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

### **PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

## **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 legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. The nonspendable fund balances for the County include materials and supplies inventory, prepaids, long-term receivable and unclaimed monies.

Restricted – The restricted fund balance category includes amounts that can be spent only for the specific purposes through enabling legislation. 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.

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 specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board of County Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specified use by taking the same type of action (ordinance or 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 the Board of County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are 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. State statute authorizes the County Auditor to assign fund balance for purchases on order provided amounts have been lawfully appropriated.

The County Auditor assigned fund balance to cover a gap between estimated revenue and appropriations in the 2024 appropriated budget.

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

The County 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.

### **RESTRICTED ASSETS**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent unclaimed monies held to be reclaimed by its rightful owners.

### **BOND PREMIUM**

On the government-wide financial statements and in the enterprise funds, bond premiums are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums are presented as additions to the face amount of bonds payable.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

On the governmental fund financial statements, bond premiums are recognized in the period when the debt is issued.

### **DEFERRED CHARGE ON REFUNDING**

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflow of resources on the Statement of Net Position.

### **INTERNAL ACTIVITY**

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

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

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

### **ESTIMATES**

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

### **NET POSITION**

Net position represents the difference between all other elements in the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted Net Position for Pension plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

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

### **EQUITY INTEREST IN JOINT VENTURE**

The County's Equity Interest in Joint Venture relates to the County's equity interest in the Joint Solid Waste District (see Note 18). The County's share in year-end net position is included on the Statement of Net Position as an "Equity Interest in Joint Venture."

### **OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the County, these revenues are charges for services for sewer utility charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

### **ONEOHIO OPIOID SETTLEMENT MONIES**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$197,414 are reflected as fines, forfeitures and settlements revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

### **LEASES**

The County serves as lessee in various noncancellable leases which are accounted for as follows:

Lessee - At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES**

**CHANGE IN ACCOUNTING PRINCIPLES**

For 2023, the County implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The County did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the County also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) is presented for the General Fund and the Public Assistance, Motor Vehicle Gas Tax, Board of Developmental Disabilities, Children Services, and Local Fiscal Recovery Major Special Revenue Funds to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

6. Investments are recorded at fair value (GAAP basis) rather than cost (budgetary basis).
7. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and all major special revenue funds are as follows:

	Net Change in Fund Balance			Board of	Children	Local Fiscal
	General	Public Assistance	Motor Vehicle Gas Tax	Developmental Disabilities	Services	Recovery
GAAP Basis	(\$2,810,655)	(\$163,438)	\$1,122,263	(\$1,340,996)	(\$227,619)	\$0
Increases (Decreases) Due to:						
Revenue Accruals	(40,992)	90,214	258,548	21,021	355,775	(3,577,403)
Expenditure Accruals	1,548,381	(218,106)	154,344	688,801	(263,848)	264,446
Encumbrances	(2,750,436)	(308,950)	(672,762)	(24,614)	0	(72,546)
Inception of Lease	(634,883)	0	0	0	0	0
Unrecorded Cash - 2023	(93,859)	0	(3,380)	0	(12,070)	(3,075)
Unrecorded Cash - 2022	27,815	0	2,363	0	10,655	4,286
Custodial Fund Cash						
Allocation - 2023	(470,874)	(36,061)	(11,719)	(559,182)	(288,902)	0
Custodial Fund Cash						
Allocation - 2022	479,749	35,407	12,001	563,854	293,949	0
Segregated Accounts						
From Cash Off Books - 2023	(65,337)	0	0	0	0	0
Segregated Accounts						
From Cash Off Books - 2022	61,031	0	0	0	0	0
Decrease in Fair Value of Investments - 2023	632,557	0	0	0	0	0
Decrease in Fair Value of Investments - 2022	(821,206)	0	0	0	0	0
Transfers	(263,023)	0	0	(258,000)	0	0
Advances	(360,000)	0	0	0	0	0
Perspective Differences	145,860	0	(87,368)	(63,820)	0	0
Budget Basis	(\$5,415,872)	(\$600,934)	\$774,290	(\$972,936)	(\$132,060)	(\$3,384,292)

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government custodial 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 custodial securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this State or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to 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 Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met, in either of the following:
  - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
  - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,



**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

## **INVESTMENTS**

Investments are reported at fair value. As of December 31, 2023, the County had the following investments:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>	<u>Moody's Rating</u>	<u>Percentage of Total Investments</u>
Net Asset Value Per Share:				
STAROhio	\$2,501,143	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	12,339,064	Less than five years	N/A	83.15%
Total	<u>\$14,840,207</u>			

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, 2023. The County's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. Diversification by maturity will ensure the County can meet the projected cash flow as needed. The County Treasurer shall be responsible for meeting the anticipated cash flow needs for the County.

**Credit Risk** – STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investment policy limits investments to those authorized by State statute.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

Concentration of Credit Risk – The County’s investment policy places no limit on the amount it may invest in any one issuer.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2022 real property taxes were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually o/r 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. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2023, was \$12.93 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property:	
Residential/Agricultural	\$987,010,950
Commercial/Industrial/Public Utility	198,731,870
Public Utility Real	17,629,410
Public Utility Personal	<u>202,837,050</u>
Total Assessed Value	<u><u>\$1,406,209,280</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various custodial funds of the County. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property taxes. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**NOTE 7 – TAX ABATEMENTS**

For purposes of GASB Statement No 77, the definition of a tax abatement is: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. (GASB 77, paragraph 4) See paragraphs 7 and 8 of GASB 77 for specific information related to disclosures of tax abatements. This GASB pronouncement requires disclosure of information about the nature and magnitude of tax abatements. The County’s tax abatements through the Enterprise Zone Tax Exemptions expired at the end of tax year 2022.

**ENTERPRISE ZONE TAX EXEMPTIONS**

Pursuant to Ohio Revised Code Chapter 5709, the County established an Enterprise Zone to provide property tax abatements to encourage the establishing of, expanding, renovating, or occupying facilities and to promote either the hiring of new employees or preserving existing employment. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal a percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient’s tax bill. The County also contracts with the overlapping school district for payments in lieu of taxes when required by Ohio Revised Code.

County property taxes were reduced as follows under agreements entered into by overlapping governments:

<u>Overlapping Government</u>	<u>Amount of 2023 Taxes Abated</u>
<i>Community Reinvestment Areas:</i>	
Village of New Boston	\$15,869

**NOTE 8 - PERMISSIVE SALES TAX**

In accordance with Sections 5739.021 and 5741.021 of the Revised Code, the County Commissioners, by resolution, imposed a one and one-half percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the tax to be returned to the County. The Tax Commissioner’s certification must be made within 45 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.

A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2023.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), interest, interfund activity, revenue in lieu of taxes, revenue due from other governments arising from grants and shared revenues, notes, and loans. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, revenue in lieu of taxes, notes, and loans. Sewer

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

charges receivable, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Property taxes and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

The City of Portsmouth owes the County \$246,863 to be paid to the County as follows: a total of \$17,025 per year paid in two payments of \$8,512.50 as related to OPWC Loan C002N (Sanitary Improvements 2010) and OPWC Loan C002M (Sanitary Sewer Improvements 2009). In 2022, only one payment of \$8,512.50 was paid and there were no payments made in 2023; therefore, five payments will be made in 2024.

The County maintains a revolving loan program for local businesses to encourage business development in the County. The loans receivable balance at December 31, 2023, was \$17,850 of which \$7,000 is considered to be due within one year.

The County made a non-interest bearing loan to the Scioto County Fair Board in November of 2017 for the amount of \$175,000 for the construction of a new poultry barn at the Scioto County Fairgrounds. The Scioto County Fair Board shall make a payment to the County in the amount of \$17,500 annually. The loans receivable balance at December 31, 2023, was \$87,500, of which \$17,500 is considered to be due within one year.

During 2022, the County entered into an agreement with the City of Portsmouth (the City) for the City to utilize a County owned building and parking lot. At the end of the agreement, the County will transfer the parcel deeds to the City. The County is reporting the outstanding balance (after payments to date and upfront payments) as a notes receivable.

At December 31, 2023, the County reported a receivable of \$370,984. During 2023, the City did not make their 2023 payment, so the 2023 and 2024 payment will be due within 1 year. A schedule of the future payments are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$81,636	\$1,964	\$83,600
2025	40,989	811	41,800
2026	41,104	696	41,800
2027	41,219	581	41,800
2028	41,335	465	41,800
2029-2031	124,701	699	125,400
Total	<u>\$370,984</u>	<u>\$5,216</u>	<u>\$376,200</u>

A summary of the principal amounts due from other governments is as follows:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	<u>Amount</u>
<u>Governmental Activities Intergovernmental Receivables</u>	
Board of Developmental Disabilities Grants and Foundation Settlements	\$907,372
Bureau of Worker's Compensation	725
Casino Revenues	530,323
Public Assistance Grant/ Reimbursement	1,303,443
Infant Toddler Court Team Reimbursements	53,143
Children Services Grants / Reimbursements	544,242
Emergency Management Performance Grant	19,289
Federal Emergency Management Association Grant	19,962
Felony Delinquent Care and Custody Grant	263,896
Gas Tax	1,824,288
High Intensity Drug Trafficking Areas Program	2,744
Homestead / Rollback	523,238
Indigent Defense	163,926
Local Government	359,477
MVL Tax	1,243,814
Ohio Department of Development Grants	322,466
Ohio Department of Public Safety Grant	70,610
Ohio Department of Transportation Grants	1,331,622
Attorney General Training Funds	5,153
Rural Transit Program Grant	126,671
Medical Admin Claming (MAC) and Waiver Reconciliation	421,187
State Victims Assistance and Victims of Crime Act Grants	81,668
Charges for Services to Other Governments	413,669
Total Governmental Activities	<u><u>\$10,532,928</u></u>

**ONEOHIO OPIOID SETTLEMENT MONIES**

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$865 as a receivable related to opioid settlement monies in the OneOhio Special Revenue Fund in the accompanying financial statements.

**NOTE 10 - CAPITAL ASSETS**

Capital assets activity of the governmental activities for the year ended December 31, 2023, was as follows:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	Balance at 12/31/2022	Additions	Deletions	Transfers	Balance at 12/31/2023
<u>Governmental Activities</u>					
Capital Assets, Not Being Depreciated:					
Land	\$2,014,256	\$5,544	\$0	\$0	\$2,019,800
Construction in Progress	2,097,655	4,017,080	(3,907,478)	0	2,207,257
Total Capital Assets, Not Being Depreciated	4,111,911	4,022,624	(3,907,478)	0	4,227,057
Tangible Assets:					
Land Improvements	5,351,443	299,116	0	0	5,650,559
Buildings and Building Improvements	33,725,328	962,731	0	0	34,688,059
Furniture, Fixtures, and Equipment	11,427,915	969,945	(102,080)	4,215	12,299,995
Vehicles	4,834,229	147,622	(384,497)	117,997	4,715,351
Infrastructure	100,162,714	7,492,089	0	0	107,654,803
Total Tangible Assets	155,501,629	9,871,503	(486,577)	122,212	165,008,767
Intangible Right to Use:					
Lease Assets:					
Furniture, Fixtures, and Equipment	87,332	30,963	(7,862)	(4,215)	106,218
Vehicles	138,001	823,130	0	(117,997)	843,134
Total Intangible Right to Use Assets	225,333	854,093	(7,862)	(122,212)	949,352
Total Capital Assets Being Depreciated	155,726,962	10,725,596	(494,439)	0	165,958,119
Total Capital Assets At Historical Cost	159,838,873	14,748,220	(4,401,917)	0	170,185,176
Less Accumulated Depreciation:					
Land Improvements	(1,933,008)	(268,935)	0	0	(2,201,943)
Buildings and Building Improvements	(15,636,943)	(720,895)	0	0	(16,357,838)
Furniture, Fixtures, and Equipment	(6,482,781)	(732,822)	102,080	(4,215)	(7,117,738)
Vehicles	(3,143,941)	(417,745)	328,528	(39,332)	(3,272,490)
Infrastructure	(47,116,423)	(2,680,683)	0	0	(49,797,106)
Total Depreciation	(74,313,096)	(4,821,080) *	430,608	(43,547)	(78,747,115)
Intangible Right to Use:					
Furniture, Fixtures, and Equipment	(23,174)	(28,952)	7,862	4,215	(40,049)
Vehicles	(40,721)	(204,225)	0	39,332	(205,614)
Total Amortization	(63,895)	(233,177)	7,862	43,547	(245,663)
Total Accumulated Depreciation/Amortization	(74,376,991)	(5,054,257)	438,470	0	(78,992,778)
Depreciable Capital Assets, Net	81,349,971	5,671,339	(55,969)	0	86,965,341
Governmental Activities					
Capital Assets, Net	\$85,461,882	\$9,693,963	(\$3,963,447)	\$0	\$91,192,398

\*Depreciation expense was charged to governmental programs as follows:

	Depreciation	Amortization	Total
General Government:			
Legislative and Executive	\$450,007	\$3,201	\$453,208
Judicial	132,267	7,227	\$139,494
Public Safety:			
Sheriff	659,549	198,889	858,438
Other	51,326	0	51,326
Public Works	3,042,408	0	3,042,408
Health	224,429	12,315	236,744
Human Services	89,378	10,090	99,468
Conservation and Recreation	103,518	0	103,518
Community and Economic Development	1,250	1,455	2,705
Transportation	66,948	0	66,948
Total Depreciation Expense	\$4,821,080	\$233,177	\$5,054,257

The County's capital assets reported above for Governmental Activities include \$10,943,940 in fully depreciated capital assets.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

Capital assets activity of the business-type activities for the year ended December 31, 2023, was as follows:

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
<b><u>Business-Type Activities</u></b>				
Capital Assets, Not Being Depreciated:				
Land	\$537,175	\$0	\$0	\$537,175
Construction in Progress	3,998,455	266,654	(4,137,009)	128,100
Total Capital Assets, Not Being Depreciated	4,535,630	266,654	(4,137,009)	665,275
Depreciable Capital Assets:				
Land Improvements	47,854	7,800	0	55,654
Buildings and Building Improvements	7,142,878	0	0	7,142,878
Furniture, Fixtures, and Equipment	2,334,672	1,092,755	0	3,427,427
Vehicles	488,984	21,700	(12,000)	498,684
Infrastructure	60,088,020	3,697,006	0	63,785,026
Total Depreciable Capital Assets	70,102,408	4,819,261	(12,000)	74,909,669
Less Accumulated Depreciation:				
Land Improvements	(11,153)	(2,636)	0	(13,789)
Buildings and Building Improvements	(4,309,455)	(143,452)	0	(4,452,907)
Furniture, Fixtures, and Equipment	(1,071,500)	(131,878)	0	(1,203,378)
Vehicles	(304,621)	(32,773)	12,000	(325,394)
Infrastructure	(10,634,393)	(972,749)	0	(11,607,142)
Total Accumulated Depreciation	(16,331,122)	(1,283,488)	12,000	(17,602,610)
Depreciable Capital Assets, Net	53,771,286	3,535,773	0	57,307,059
Business-Type Activities Capital Assets, Net	\$58,306,916	\$3,802,427	(\$4,137,009)	\$57,972,334

The County's capital assets reported above for Business-Type Activities include \$899,654 in fully depreciated capital assets.

**NOTE 11 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains comprehensive insurance coverage with the County Risk Sharing Authority, Inc. (CORSA) (See Note 19) for liability, property, auto, and crime insurance. The County also carries public officials liability insurance through various insurance agencies. Settlements have not exceeded coverage in any of the last three years. There has not been a significant change in coverage from the prior year.

The County participated in the Ohio Bureau of Workers' Compensation (the "Bureau") Individual Retrospective Rating Program until December 31, 2014. Under the individual retrospective rating program, the County assumes a portion of the risk in return for a reduction in current premiums. This program involves the payment of a minimum premium for administrative services and stop-loss coverage in addition to the actual claim costs for employees injured in the years in which the County participated in the program. The County began participating in the Group Retrospective Rating Program beginning January 1, 2015.

The County provides health, dental and vision insurance for its employees through the County Employee Benefits Consortium of Ohio (CEBCO). This is a fully funded insurance program and is not considered limited risk health insurance.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

The amounts reported in the government-wide financial statements at December 31, 2023, are based on the requirements of GASB Statement No. 10, *"Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,"* as amended by GASB Statement No. 30, *"Risk Management Omnibus,"* which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for the Workers' Compensation Retrospective Rating Program for the current year is as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2022	\$18,577	\$100	\$18,677	\$0
2023	0	2,861	2,861	0

**NOTE 12 - 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)**

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting



legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

#### Ohio Public Employees Retirement System (OPERS)

Plan Description – County Employees, other than certified teachers, 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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):

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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.

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

	State and Local		Law Enforcement
	Traditional	Combined	
2023 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	18.1 %
Employee *	10.0 %	10.0 %	***
Pension **	14.0 %	12.0 %	18.1 %
Post-employment Health Care Benefits **	0.0	2.0	0 %
Total Employer	14.0 %	14.0 %	18.1 %
Employee	10.0 %	10.0 %	13 %

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

\*\* 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

\*\*\* 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.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the County's contractually required contribution was \$3,687,736 for the traditional plan, \$24,579 for the combined plan and \$30,720 for the member-directed plan. Of these amounts, \$476,825 is reported as an intergovernmental payable for the traditional plan, \$1,857 for the combined plan, and \$3,434 for the member-directed plan.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation 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 upon a determination by its actuary that it was necessary 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. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age. In May 2023, the Board extended the eligibility to retire without any actuarial reduction at 34 years of service through July 2028.

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

The DC Plan allows members to place all their member contributions and 9.53 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 fifty 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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

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 to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The County's contractually required contribution to STRS was \$97,725 for 2023. Of this amount, \$4,013 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the net pension liability for STRS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense 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	0.15847524%	0.04249014%	0.005337560%	
Prior Measurement Date	0.16136428%	0.05600595%	0.005110220%	
Change in Proportionate Share	<u>-0.00288904%</u>	<u>-0.01351581%</u>	<u>0.000227340%</u>	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$100,144)	\$0	(\$100,144)
Net Pension Liability	\$46,813,657	\$0	\$1,149,441	\$47,963,098
Pension Expense	\$7,700,348	\$23,070	\$66,619	\$7,790,037

2023 pension expense for the member-directed defined contribution plan was \$30,720. The aggregate pension expense for all pension plans was \$7,820,757 for 2023.

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
<b>Deferred Outflows of Resources:</b>				
Differences between expected and actual experience	\$1,554,953	\$6,157	\$41,906	\$1,603,016
Changes of assumptions	494,553	6,630	94,663	595,846
Net difference between projected and actual earnings on pension plan investments	13,343,362	36,497	0	13,379,859
Changes in proportion and differences between County contributions and proportionate share of contributions	272,560	60,541	35,536	368,637
County contributions subsequent to the measurement date	3,687,736	24,579	53,109	3,765,424
Total Deferred Outflows of Resources	<u>\$19,353,164</u>	<u>\$134,404</u>	<u>\$225,214</u>	<u>\$19,712,782</u>

<b>Deferred Inflows of Resources:</b>				
Differences between expected and actual experience	\$0	\$14,310	\$2,551	\$16,861
Changes of assumptions	0	0	71,254	71,254
Net difference between projected and actual earnings on pension plan investments	0	0	3,445	3,445
Changes in proportion and differences between County contributions and proportionate share of contributions	305,055	5,399	59,575	370,029
Total Deferred Inflows of Resources	<u>\$305,055</u>	<u>\$19,709</u>	<u>\$136,825</u>	<u>\$461,589</u>

\$3,765,424 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Year Ending December 31:				
2024	\$1,877,632	\$9,665	(\$46,677)	\$1,840,620
2025	3,018,631	14,893	(42,879)	2,990,645
2026	3,927,601	17,499	122,585	4,067,685
2027	6,536,509	23,592	2,251	6,562,352
2028	0	7,716	0	7,716
Thereafter	0	16,751	0	16,751
Total	<u>\$15,360,373</u>	<u>\$90,116</u>	<u>\$35,280</u>	<u>\$15,485,769</u>

**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.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

During 2022, 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 12.1 percent for 2022.

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, 2022, these best estimates are summarized below:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

**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 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%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$70,125,294	\$46,813,657	\$27,422,556
OPERS Combined Plan	(52,263)	(100,144)	(138,093)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented below:



**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

	June 30, 2023
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. 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, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

***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	\$1,767,585	\$1,149,441	\$626,659

**NOTE 13 – DEFINED BENEFIT OPEB PLANS**

See Note 12 for a description of the net OPEB liability (asset).

**Ohio Public Employees Retirement System (OPERS)**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit.

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

**Group A** 30 years of qualifying service credit at any age;

**Group B** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$13,458 for 2023. Of this amount, \$1,357 is reported as an intergovernmental payable.

#### 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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://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 the year ended December 31, 2023, STRS did not allocate any employer contributions to post-employment health care.

#### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

valuation as of that date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.14990052%	0.00533756%	
Prior Measurement Date	0.15301132%	0.00511022%	
Change in Proportionate Share	<u>-0.00311080%</u>	<u>0.000227340%</u>	
Proportionate Share of the Net:			
OPEB Asset		(\$103,809)	(\$103,809)
OPEB Liability	\$945,151	\$0	\$945,151
OPEB Expense	(\$1,320,343)	\$620	(\$1,319,723)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$0	\$162	\$162
Changes of assumptions	923,151	15,292	938,443
Net difference between projected and actual earnings on pension plan investments	1,877,105	185	1,877,290
Changes in proportion and differences between County contributions and proportionate share of contributions	41,193	6,554	47,747
County contributions subsequent to the measurement date	<u>13,458</u>	<u>0</u>	<u>13,458</u>
Total Deferred Outflows of Resources	<u>\$2,854,907</u>	<u>\$22,193</u>	<u>\$2,877,100</u>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$235,757	\$15,833	\$251,590
Changes of assumptions	75,960	68,491	144,451
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>1,994</u>	<u>1,779</u>	<u>3,773</u>
Total Deferred Inflows of Resources	<u>\$313,711</u>	<u>\$86,103</u>	<u>\$399,814</u>

\$13,458 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	OPERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$349,871	(\$24,436)	\$325,435
2025	685,726	(14,165)	671,561
2026	585,344	(5,698)	579,646
2027	906,797	(7,423)	899,374
2028	0	(6,791)	(6,791)
Thereafter	0	(5,397)	(5,397)
Total	<u>\$2,527,738</u>	<u>(\$63,910)</u>	<u>\$2,463,828</u>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

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

During 2022, 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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

eligible members. Within the Health Care portfolio, if any contribution 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 15.6 percent for 2022.

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, 2022, 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 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the County's proportionate share of the net OPEB liability calculated

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

using the single discount rate of 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
County's proportionate share of the net OPEB liability	\$3,216,865	\$945,151	(\$929,383)

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability 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 liability or 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 2023 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 liability	\$885,912	\$945,151	\$1,011,829

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented as follows:



**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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 12.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed 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, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**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, 2023, 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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$87,860)	(\$103,809)	(\$117,697)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$127,769)	(\$103,809)	(\$147,148)

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**DEFERRED COMPENSATION**

County employees and elected officials may participate in one of two state-wide deferred compensation plans created in accordance with Internal Revenue Code Section 457, one offered by the State of Ohio and one by the County Commissioners Association of Ohio. Participation is on a voluntary payroll deduction basis. Each plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

**COMPENSATED ABSENCES**

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

Accumulated, unused sick leave is paid up to a minimum of ten years of service, depending on length of service and departmental policy, to employees who retire and have a minimum of ten years of service.

The employees in the Department of Children Services receive three days of personal leave with eight hours effective on July 1, November 1, and March 1. They must use the leave by June 30 or forfeit it.

**INSURANCE BENEFITS**

Employee health and dental insurance coverage was provided by the County Employee Benefits Consortium of Ohio (CEBCO) for the year. Also, vision insurance and life insurance were provided by Anthem Vision Service Plan and Anthem Life, respectively.

Health insurance for employees of the Board of Developmental Disabilities was provided by Anthem Blue Cross and Blue Shield. Employee dental insurance for employees of the Board of Developmental Disabilities was provided by Delta Dental. Vision insurance and life insurance were provided by Vision Service Plan of Ohio and Sun Life Financial, respectively.

Health, dental, and vision insurance for employees of the Sanitary Engineer was provided by the Michigan Conference of Teamsters Welfare Fund. Life insurance was provided by Anthem Life.

**NOTE 15 – ASSET RETIREMENT OBLIGATION**

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sanitary sewer system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with the waste water treatment facilities. Any asset retirement obligation (ARO) associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

In 2020, the Scioto County Land Reutilization Corporation took ownership of a piece of property located on US-52 where a Coke Plant was once located. This piece of property is being evaluated by the EPA for environmental clean-up costs and possible remediation actions. Any ARO associated with this possible clean-up is not reasonably estimable at this time. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

The Scioto County Airport Authority owns and maintains underground storage tanks. The Airport Authority and State of Ohio follow federal financial responsibility rules for underground storage tanks. Any asset retirement obligation associated with the storage tanks is not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

**NOTE 16 – LONG-TERM OBLIGATIONS**

**BUSINESS-TYPE ACTIVITY**

**General Obligation Bonds**

The County has issued General Obligation Bonds supported by Sewer Fund revenues. The proceeds of the bonds were used to fund various improvement projects in the County's sewer system and to refund bonds previously issued for the same purpose.

The entire amount of the refunded bonds was repaid, leaving no balance still outstanding on the original debt.

The 2021 Various Purpose Refunding Bonds were issued on May 26, 2021. The County issued \$3,645,000 in refunding bonds in order to refund \$538,229 Franklin Furnace Sewer Improvement Bonds, \$922,600 in Wheelersburg Wastewater Treatment Plant Bonds, \$265,043 in Rigrish Sewer Bonds, \$451,500 FHA Bonds – West Portsmouth Improvement, \$361,000 in FHA Bonds – Lucasville Phase II, \$491,701 in FHA Bonds – Lucasville III Bonds, \$564,610 in FHA Bonds – West Portsmouth VII, and \$227,100 in FHA Bonds – Lucasville Phase IV in order to take advantage of lower interest rates. The bonds were issued for a 25 year period with final maturity in December 2046.

At December 31, 2021, all the refunded bonds were paid off. Total debt service payments decreased by \$1,017,818 as a result of the refunding. The County also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$897,436, but incurred a deferred inflow – deferred charge on refunding of \$880,173, and a deferred outflow – deferred charge on refunding of \$988,378. The amount amortized during 2023 on the deferred inflow – deferred charge on refunding was \$45,421. The amount amortized during 2023 on the deferred outflow – deferred charge on refunding was \$58,507. The bonds were sold at a premium of \$390,187.

*Ohio Public Works Commission (OPWC) Loans*

The OPWC loans consist of money owed to the Ohio Public Works Commission for various sewer line and pump station renovation projects. These consist of 20 or 30 year general obligation loans payable. The liability for the Sewer Fund is recorded in the fund and government-wide financial statements. The loans will be repaid from the Sewer Fund. The loans are direct borrowings and in the event of default OPWC may (1) apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's Office for collection, and as provided by law, OPWC may require that such payments be taken from the County's share of the undivided local government fund, and the outstanding amounts shall, and (3) at OPWC's option, become immediately due and payable.

*Ohio Water Development Authority (OWDA) Loans*

The OWDA loans from direct borrowings consist of money owed to the Ohio Water Development Authority for various sewer line and pump station renovation projects. The liability for the Sewer Fund is recorded in the fund and government-wide financial statements. The loans will be repaid from the Sewer Fund. In the event of default, the lender may declare the full amount of the unpaid project participation principal amount immediately due and payable and require the County to pay any fines or penalties incurred with interest.

*United States Department of Agriculture (USDA) Loans*

The USDA loans are direct placements and consists of money owed to the United States Department of Agriculture for the Eden Park Sewer extension and Minford Sewer System projects. The liability for the Sewer Fund is recorded in the fund and government-wide financial statements. The loan will be repaid from the Sewer Fund. The County's outstanding USDA Sewer Revenue bonds from direct placement contain provisions that in the event of default the Government, at its option may (1) declare the entire principal amount can be declared outstanding and accrued interest shall be immediately due and payable, (2) incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and / or (3) take possession of the facility, repair, maintain, and operate or rent it. The future debt service requirements for the West Portsmouth/Purtee Acres loan is not presented because the final amortization schedule is not available.

Compensated absences will be paid from the Sewer Enterprise Fund. The County pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability (asset) see Note 12. For additional information related to the OPEB liability (asset) see Note 13.

The change in the County's Business-Type Activity's long-term obligations during the year consisted of the following:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	Principal Outstanding at 12/31/2022	Additions	Deletions	Principal Outstanding at 12/31/2023	Due Within One Year
<u>Business-Type Activity</u>					
<u>General Obligation Bonds</u>					
Various Purpose Refunding Bonds					
2021 2.00 - 4.00% - \$3,645,000	\$3,370,000	\$0	\$160,000	\$3,210,000	\$170,000
Premium	365,476	0	15,607	349,869	0
Total Enterprise General Obligation Bonds	3,735,476	0	175,607	3,559,869	170,000
<u>OPWC Loans</u>					
<u>Direct Borrowings</u>					
2004 OPWC Sanitary Sewer					
System Renovations 0% - \$162,100	16,192	0	8,106	8,086	8,086
2006 OPWC Wheelersburg and West Portsmouth					
Pump Station 0% - \$235,543	52,984	0	11,778	41,206	11,778
2006 OPWC Sciotoville Area					
Sanitary Sewer Extensions 0% - \$9,482	2,135	0	474	1,661	474
2008 OPWC Pump Station					
Renovations 0% - \$201,860	65,605	0	10,093	55,512	10,093
2009 OPWC Sanitary Sewer					
Improvements 0% - \$165,000	61,875	0	8,250	53,625	8,250
2012 OPWC Sanitary Sewer Improvements					
UV Project 0% - \$181,000	80,447	0	6,435	74,012	6,435
2014 OPWC Sanitary Sewer					
Eden Park Extension 0% - \$247,872	367,496	0	25,344	342,152	25,344
2017 OPWC West Portsmouth					
Modification 0% - \$16,266	13,285	0	542	12,743	542
2021 OPWC Scioto County Porter Township					
Joint Improvement 0% - \$127,853	119,329	0	4,262	115,067	4,262
Total OPWC Loans	\$779,348	\$0	\$75,284	\$704,064	\$75,264

(Continued)

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	Principal Outstanding at 12/31/2022	Additions	Deletions	Principal Outstanding at 12/31/2023	Due Within One Year
<u>OWDA and USDA Loans</u>					
<u>Direct Borrowings</u>					
Wastewater Treatment and Collection System for South Webster 2003 0%	\$1,024,105	\$0	\$102,410	\$921,695	\$102,410
Briarcliff WWTP Elimination New Pump Station 2018 0%	306,775	0	19,173	287,602	19,173
Lucasville Interceptor Project 2020 0%	1,035,292	0	51,813	983,479	52,265
Eden Park Extension OWDA Loan 0%	329,545	0	6,759	322,786	6,994
<u>Direct Placements</u>					
Eden Park Extension USDA Loan 4.5%	848,100	0	20,500	827,600	21,000
Minford Sewer System Project USDA Loan 4.5%	13,134,140	0	278,670	12,855,470	285,280
West Portsmouth/Purtee Acres USDA Loan 1.50%	2,890,015	109,985	28,900	2,971,100	0
Total OWDA and USDA Loans	19,567,972	109,985	508,225	19,169,732	487,122
<u>Other Long-Term Obligations</u>					
Compensated Absences	124,893	51,633	31,602	144,924	85,743
Net Pension Liability - OPERS	546,990	1,276,919	0	1,823,909	0
Net OPEB Liability - OPERS	0	36,826	0	36,826	0
Total Other Long-Term Obligations	671,883	1,365,378	31,602	2,005,659	85,743
Total Business-Type Activities	\$24,754,679	\$1,475,363	\$790,718	\$25,439,324	\$818,129

The following is a summary of the County's future annual debt service requirements for Business-Type Activity long-term debt:

	From Direct Borrowings			From Direct Placements				
	General Obligation Bonds		OPWC Loans	OWDA Loans	USDA Loans		Totals	
	Principal	Interest	Principal	Principal	Principal	Interest	Principal	Interest
2024	\$170,000	\$98,500	\$75,264	\$180,842	\$306,280	\$322,905	\$732,386	\$421,405
2025	175,000	91,700	67,178	181,542	313,380	315,682	737,100	407,382
2026	175,000	84,700	67,178	182,254	320,900	308,294	745,332	392,994
2027	180,000	77,700	61,037	182,978	328,400	300,726	752,415	378,426
2028	195,000	70,500	54,927	183,716	336,080	292,982	769,723	363,482
2029-2033	1,100,000	236,050	200,342	827,712	1,803,510	1,342,209	3,931,564	1,578,259
2034-2038	785,000	90,900	122,388	438,685	2,026,280	1,119,292	3,372,353	1,210,192
2039-2043	335,000	32,400	24,020	212,437	2,276,930	868,802	2,848,387	901,202
2044-2048	95,000	3,152	23,213	74,310	2,558,320	587,318	2,750,843	590,470
2049-2053	0	0	8,517	51,086	2,836,080	271,009	2,895,683	271,009
2054	0	0	0	0	576,910	13,702	576,910	13,702
Totals	\$3,210,000	\$785,602	\$704,064	\$2,515,562	\$13,683,070	\$5,742,921	\$20,112,696	\$6,528,523

## **GOVERNMENTAL ACTIVITIES**

### **General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and the refinancing of bond anticipation notes. General obligation bonds are direct obligations and pledge the full faith and credit of the County for repayment. These bonds are generally issued as 20 year serial bonds. The Economic Development Facilities Refunding Bonds are paid from general revenues of the County. The bonds are reported as part of unrestricted net position because the proceeds were used for the renovation of a building owned by the Southern Ohio Port Authority. Both Various Purpose Bonds are being paid with tax monies receipted into the General Fund and then transferred to the Debt Service Fund. The refunded bonds were retired on August 1, 2004.

The 2013 Economic Development Facilities Refunding Revenue Bonds were issued December 10, 2013, for the purpose of advance refunding \$1,815,000 of the 1999 Shelton Industries General Obligation Bonds. The bonds are serial bonds and were issued with an interest rate of 0.55 – 5.05 percent for a twelve year period. The bonds will mature on December 1, 2025, and will be retired from the Debt Service Fund.

The 2014 Various Purpose Refunding Bonds were issued April 16, 2014, for the purpose of advance refunding \$4,545,000 of the 2004 County Jail General Obligation Bonds. The bonds are serial bonds and were issued with an interest rate of 2.00 – 4.00 percent for a fifteen year period. The bonds will mature on December 1, 2029, and will be retired from the Debt Service Fund.

The 2021 Various Purpose Refunding Bonds were issued on May 26, 2021, the County issued \$230,000 in refunding bonds in order to refund \$250,000 of the 2006 Various Purpose Refunding Bonds in order to take advantage of lower interest rates. The bonds were issued for a 5 year period with final maturity in December 2026. At December 31, 2021, all the refunded bonds were paid off.

### **Lease Payable**

The County has outstanding agreements to lease copiers and vehicles. The future lease payments were discounted based on the interest rate implicit in the lease or using the County's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$213,860	\$38,513
2025	219,493	27,277
2026	223,365	15,624
2027	128,440	4,446
2028	11,985	208
	<u>\$797,143</u>	<u>\$86,068</u>

### **Financed Purchases**

In prior years, the County entered into financed purchase agreement for the construction of a transportation garage associated with the Board of Developmental Disabilities. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made in 2023 totaled \$13,341 in a governmental fund.

Compensated Absences

Compensated absences will be paid from the following governmental funds:

General Fund  
Real Estate Assessment Special Revenue Fund  
Children Services Special Revenue Fund  
Common Pleas Court Special Revenue Fund  
Dog and Kennel Special Revenue Fund  
Emergency Management Assistance Special Revenue Fund  
Probation Supervision Services Special Revenue Fund  
Engineer Special Revenue Fund  
Public Assistance Special Revenue Fund  
Indigent Guardianship Special Revenue Fund  
Board of Developmental Disabilities Special Revenue Fund  
T.B. Levy Special Revenue Fund  
Sheriff's Policing Rotary Special Revenue Fund  
Multi-County Mediation Special Revenue Fund  
Law Library Special Revenue Fund  
Coordinated Transportation Program Special Revenue Fund  
Common Pleas PSI Unit Special Revenue Fund  
Probation Improvement and Incentive Grant Special Revenue Fund

The Ohio Bureau of Workers' Compensation Retrospective Rating Program Claims Payable were paid from the following funds:

General Fund  
Board of Developmental Disabilities Special Revenue Fund

There is no repayment schedule for the net pension/OPEB liability (asset). However, employer pension contributions are made from the following funds:

General Fund  
Real Estate Assessment Special Revenue Fund  
Common Pleas Court Special Revenue Fund  
Dog and Kennel Special Revenue Fund  
Emergency Management Assistance Special Revenue Fund  
Probation Supervision Services Special Revenue Fund  
Engineer Special Revenue Fund  
GIS Mapping Special Revenue Fund  
Child Support Enforcement Agency Special Revenue Fund  
Public Assistance Special Revenue Fund  
Board of Developmental Disabilities Special Revenue Fund  
Drug Enforcement Sheriff Special Revenue Fund  
Sheriff Rotary Special Revenue Fund  
TB Levy Special Revenue Fund  
DRETAC Treasurer Special Revenue Fund  
Multi-County Mediation Special Revenue Fund  
Wireless 911 Special Revenue Fund  
Professional Training Sheriff Special Revenue Fund  
Law Library Special Revenue Fund  
Coordinated Transportation Special Revenue Fund



**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

Victims of Crime Special Revenue Fund  
High Intensity Drug Trafficking Special Revenue Fund  
Wheelersburg Sewer District Enterprise Fund  
Common Pleas PSI Unit Special Revenue Fund  
Probation Improvement and Incentive Grant Special Revenue Fund

For additional information related to the net pension/OPEB liability (asset), see Note 12 and 13.

The change in the County's Governmental Activities' long-term obligations during the year consisted of the following:

	Principal Outstanding at 12/31/2022	Additions	Deletions	Principal Outstanding at 12/31/2023	Due Within One Year
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
Economic Development Facilities Refunding Revenue Bonds 2013 0.55 - 5.05% - \$1,815,000	\$530,000	\$0	\$170,000	\$360,000	\$175,000
Various Purpose Refunding Bonds 2014 2.00 - 4.00% - \$4,880,000	2,375,000	0	310,000	2,065,000	320,000
Premium on Various Purpose Bonds	1,806	0	285	1,521	0
Various Purpose Refunding Bonds 2021 2.00 - 2.00 - 4.00% - \$230,000	150,000	0	35,000	115,000	35,000
Premium	16,360	0	4,789	11,571	0
Total General Obligation Bonds	3,073,166	0	520,074	2,553,092	530,000
<u>Net Pension Liability</u>					
OPERS	13,492,358	31,497,390	0	44,989,748	0
STRS	1,136,011	13,430	0	1,149,441	0
Total Net Pension Liability	14,628,369	31,510,820	0	46,139,189	0
<u>Net OPEB Liability</u>					
OPERS	0	908,325	0	908,325	0
<u>Other Long-Term Obligations</u>					
Lease Payable	144,104	854,093	201,054	797,143	213,860
Financed Purchase Payable	97,737	0	13,341	84,396	14,593
Compensated Absences	2,416,151	1,181,217	1,152,838	2,444,530	1,446,685
Ohio Bureau of Workers' Compensation Retrospective Rating Program Claims	0	2,861	2,861	0	0
Total Other Long-Term Obligations	2,657,992	2,038,171	1,370,094	3,326,069	1,675,138
Total Governmental Activities	\$20,359,527	\$34,457,316	\$1,890,168	\$52,926,675	\$2,205,138

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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

	General Obligation			
	Bonds		Financed Purchase Payable	
	Principal	Interest	Principal	Interest
2024	\$530,000	\$96,712	\$14,593	\$7,007
2025	550,000	76,425	15,963	5,637
2026	375,000	54,512	17,461	4,139
2027	350,000	41,188	19,100	2,500
2028	360,000	28,500	17,279	721
2029-2030	375,000	15,000	0	0
Totals	<u>\$2,540,000</u>	<u>\$312,337</u>	<u>\$84,396</u>	<u>\$20,004</u>

The County's total legal debt margin was \$33,591,604 with an unvoted debt margin of \$14,009,649 at December 31, 2023.

### **CONDUIT DEBT OBLIGATION**

During 1985, the County, in conjunction with several other political subdivisions of Ohio, issued revenue bonds in the aggregate principal amount of \$72,000,000. The proceeds were used to fund the VHA Central Inc. Capital Asset Financing Program. The program provides financing for hospitals in Ohio to acquire equipment and other capital assets. The balance outstanding as of December 31, 2023, is \$3,600,000.

During 2016, the County issued Hospital Facilities Revenue Bonds, Series 2016, in the aggregate principal amount of \$122,215,000 for the Southern Ohio Medical Center (SOMC). The proceeds were used by SOMC to refund the prior Hospital Facilities Refunding Bonds issued in 2008. The balance outstanding as of December 31, 2023, is \$95,930,000.

During 2017, the County issued Health Care Facilities Revenue Refunding and Improvement Bonds, Series 2017, in the aggregate principal amount of \$10,349,535 for the Hill View Retirement Center. The proceeds were used for the acquisition, construction, installation and equipping of facilities and to refund the Adjustable Rate Demand Health Care Facilities Revenue Refunding and Improvement Bonds, Series 2004, issued by Pike County, which were used to renovate the facilities. The balance outstanding as of December 31, 2023, is \$8,304,879.

During 2019, the County issued Hospital Facilities Revenue Bonds, Series 2020, in the aggregate principal amount of \$22,380,000 for the Southern Ohio Medical Center (SOMC). Proceeds were to be used primarily for acquisition of an Electronic Health Record System (EHR) and related services, computer servers, nurse call light system and renovation projects. The balance outstanding as of December 31, 2023, is \$15,005,000.

Conduit debt bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. There has not been, and currently is not, any condition of default under the bonds or the related financing documents. The County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. Neither the full faith and credit or taxing power of the County is pledged to make repayment.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

**NOTE 17 - INTERFUND ACTIVITY**

Interfund balances at December 31, 2023, consist of the following individual fund receivables and payables:

Payables	Receivables					Total
	General	Public Assistance	Motor Vehicle Gas Tax	Children Services	Nonmajor Governmental Funds	
General	\$0	\$18,796	\$0	\$0	\$19,799	\$38,595
Public Assistance					98,376	98,376
Local Fiscal Recovery	150,000					150,000
Board of Developmental Disabilities				10,829		10,829
Nonmajor Governmental Funds	460,239		470			460,709
Total	<u>\$610,239</u>	<u>\$18,796</u>	<u>\$470</u>	<u>\$10,829</u>	<u>\$118,175</u>	<u>\$758,509</u>

The Public Assistance Fund has outstanding payables to Nonmajor Governmental Funds for services provided through various contracts existing with Public Assistance. The Local Fiscal Recovery Fund has an outstanding payable to the General Fund for ARPA grants. The General Fund has an outstanding payable to the Public Assistance Fund for postage and to the Sheriff Policing Rotary fund for contract services. The Board of Developmental Disabilities Fund has an outstanding payable to the Children Services Fund for contract services. The Nonmajor Governmental Funds have outstanding payables to the General Fund for purchased services relating to Child Support Enforcement Agency, Jail Construction, ARPA Wellness Grant Program, the Local Law Enforcement Block Grant and the Ohio Body Armor program. All payables will be reimbursed either when funds become available or when payments for services are rendered.

Transfers made during the year ended December 31, 2023, were as follows:

Transfers From	Transfers To					Total
	General	Public Assistance	Motor Vehicle Gas Tax	Children's Services	Nonmajor Governmental Funds	
General	\$0	\$217,662	\$0	\$0	\$1,254,674	\$1,472,336
Public Assistance	0	0	0	0	52,960	52,960
Motor Vehicle Gas Tax	0	0	0	0	1,281,566	1,281,566
Children Services	0	0	0	0	1,670	1,670
Local Fiscal Recovery	0	0	0	500,000	0	500,000
Nonmajor Governmental Funds	285,400	0	537,777	0	23,918	847,095
Sewer	0	0	0	0	15,000	15,000
Total	<u>\$285,400</u>	<u>\$217,662</u>	<u>\$537,777</u>	<u>\$500,000</u>	<u>\$2,629,788</u>	<u>\$4,170,627</u>

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. Monies were transferred from the General Fund to nonmajor debt service funds to make debt service payments. In addition, monies were transferred from the Public Assistance Fund to the Child Support Enforcement Nonmajor Governmental Fund to cover the Child Support State match ceiling excess. Transfers were made from the Motor Vehicle and Gas Tax fund to a nonmajor capital projects fund in order to provide for the County's local share of the project. Once the projects are complete, transfers will be made to return any remaining unspent local share monies back to the Motor Vehicle and Gas Tax fund. Transfers were made from Children Services to a nonmajor special revenue fund to reimburse for purchased services. Transfers were made from Local Fiscal Recovery to Children Services to pay for services to foster youth, including expenses for housing and boarding. Transfers were made from the Sewer Enterprise fund to nonmajor special revenue funds to support GIS mapping operations.

**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS / JOINT VENTURE**

**ADAMS, LAWRENCE, SCIOTO ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES BOARD - JOINTLY GOVERNED ORGANIZATION**

Scioto County is a member of the three-county Alcohol, Drug Addiction, and Mental Health Services Board (ADAMHS Board), which is a jointly governed organization between Adams, Lawrence, and Scioto Counties. The purpose of the ADAMHS Board is to provide aid, support and education for alcohol and drug dependent citizens as well as those who are mentally handicapped.

The three-county ADAMHS Board is governed by a board consisting of 14 members. The breakdown is as follows: six members are appointed by the Ohio Director of Mental Health and Addiction Services and eight are appointed by Commissioners of Scioto, Lawrence and Adams Counties. The main sources of revenue for this Board are grants from the Ohio Department of Mental Health and Addiction Services. Outside agencies are contracted by the Board to provide service for the Board. Financial records are maintained by the Scioto County Auditor and Treasurer. Each county has a participation percentage based upon the number of board members appointed. Scioto County appoints four members, which represents 50 percent of the total members appointed by the three counties. The Board exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board. The Board of County Commissioners appoint members proportionate to the County's population of the whole district with at least one member being appointed from each County. The ADAMHS Board received a contribution from the County of \$2,000 during 2023.

**OHIO VALLEY RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC. - JOINTLY GOVERNED ORGANIZATION**

The Ohio Valley Resource Conservation and Development Area, Inc. is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservation and Development Area, Inc. was created to aid regional planning to participating counties. Scioto County, along with Ross, Vinton, Highland, Brown, Adams, Pike, Jackson, Gallia, and Lawrence Counties each appoint three members to the 30 member Council. The Council selects an administrator to oversee operations. The Council exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Council. The Ohio Valley Resource Conservation and Development Area, Inc. received no contributions from the County during 2023; other revenues are from USDA grants. Scioto County does not have any ongoing financial interest or responsibilities nor can it significantly influence management.

**WORKFORCE DEVELOPMENT BOARD/SO CONSORTIUM - JOINTLY GOVERNED ORGANIZATION**

The Workforce Investment Act of 1998 (WIA) was reauthorized as the Workforce Innovation and Opportunity Act of 2014 (WIOA). On December 17, 2015 the Board of County Commissioners approved an intergovernmental agreement for Adams, Brown, Pike and Scioto County which established the terms, conditions, and requirements governing the administration of the Workforce Innovation and Opportunity Act of 2014 and Chief Elected Officials duties and created the SO Consortium for the purpose of implementing, governing, and administering any and all workforce and economic development programming. The Workforce Development Board is a jointly governed organization of representatives from the private and public sectors of Pike, Scioto, Adams, and Brown Counties appointed by the county commissioners from each county and consists of 22 members. The Board consists of a 51 percent business membership and the remaining membership from labor, education and training, disabilities, veterans, youth organizations, and Wagner-Peyser. The Workforce Development Board meets at least quarterly and is

responsible for the five-year plan, selecting one-stop operators, selecting youth providers and coordinating all activities in association with WIOA funds. This Board enables the participating counties to have more local control over the programs which they assist in overseeing. The Board exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board. The Workforce Development Board received no contributions from the County during 2023. The Workforce Development Board is responsible for advising the SO Consortium and is not an entity separate from the SO Consortium. The SO Consortium is a council of governments formed under Ohio Revised Code Section 167.03.

#### **OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION - JOINTLY GOVERNED ORGANIZATION**

The Ohio Valley Regional Development Commission is a jointly governed organization that serves a 12 county economic development planning district in southern Ohio. The Commission was formed to favorably influence the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised 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 Scioto County for its existence. The Commission exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Commission. The County contributed \$14,802 to the Commission during the year.

#### **SCIOTO COUNTY COMMUNITY ACTION ORGANIZATION - JOINTLY GOVERNED ORGANIZATION**

The Scioto County Community Action Organization (CAO) is an IRS 502C3 non-profit organization established to plan, develop, and coordinate programs and services designed to combat problems of poverty and seek the elimination of the conditions of poverty that affect the residents of Scioto County. The CAO administers the Workforce Investment Act grant. The CAO Board is comprised of local public officials. The organization exercises total control over the operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation in the organization. In 2023, the County made payments to the CAO in the amount of \$975,965 for the provision of services to the Scioto County Department of Jobs and Family Services and \$95,000 for a grant from Local Fiscal Recovery Funds.

#### **SOUTHERN OHIO DEVELOPMENT INITIATIVE - JOINTLY GOVERNED ORGANIZATION**

The Southern Ohio Development Initiative was created with assistance from the U.S. Department of Energy to assist in the development of industrial areas to offset the potential downsizing and privatization of the Uranium Enrichment Plant in Piketon, Ohio. It is a legally separate, not-for-profit corporation with representatives from each of the counties impacted by the events at the Piketon Plant. The counties involved in this initiative are Pike, Ross, Scioto and Jackson Counties. The County has no authority to impose its will on the organization nor is a burden/benefit relationship in existence. The organization exercises total control over its operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation with the organization. During 2023, the County made no payments nor received any monies from the Southern Ohio Development Initiative.

**PORTSMOUTH METROPOLITAN HOUSING AUTHORITY - JOINTLY GOVERNED ORGANIZATION**

The Portsmouth Metropolitan Housing Authority (the Authority) is a political subdivision that consists of five members. One member is appointed by the probate court, one member by the court of common pleas, one member by the board of county commissioners, and two members by the chief executive officer of the City of Portsmouth. The County has no ability to impose its will on the organization nor is a burden/benefit relationship in existence. The Authority exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation in the Authority. The Authority received no contributions from the County during 2023.

**SOUTHERN OHIO COUNCIL OF GOVERNMENTS - JOINTLY GOVERNED ORGANIZATION**

The County is a member of the Southern Ohio Council of Governments, which is a jointly governed organization, created under the Ohio Revised code section 167.01. The governing body consists of a 15 member board with each participating County represented by the Director of its Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Board exercises total control over operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the Board. The County paid the Council \$433,342 for services provided during the year. Financial statements can be obtained from the Southern Ohio Council of Governments, 17273 St. Rt. 104, Building 8, Chillicothe, Ohio, 45601.

**JOINT ECONOMIC DEVELOPMENT INITIATIVE OF SOUTHERN OHIO - JOINTLY GOVERNED ORGANIZATION**

The Joint Economic Development Initiative of Southern Ohio (JEDISO) is a nonprofit corporation that was formed on April 11, 2017. It was created as a result of the federal government engaging with Fluor-BWXT Company to decontaminate and decommission the Portsmouth Gaseous Diffusion Plant. Fluor's contract required it to invest five percent of its funding to economic development in the surrounding counties. As a result, JEDISO was formed to help facilitate this. It is a legally separate, not-for-profit corporation with representatives from each of the counties impacted by the events at the Portsmouth Plant. The counties involved in this initiative are Pike, Ross, Scioto and Jackson Counties. The County has no authority to impose its will on the organization nor is a burden/benefit relationship in existence. The organization exercises total control over its operations including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation with the organization. During 2023, the County made no payments nor received any monies from the JEDISO.

**JOINT SOLID WASTE DISTRICT - JOINT VENTURE**

The County participates in a joint venture with Lawrence County, the Joint Solid Waste District (the District). The purpose of the District is to make disposal of waste in the two-county area more comprehensive in terms of recycling, incinerating, and land filling. Each of the governments supports the District and shares in an equal percentage of equity. The degree of control exercised by each participating County is limited to its representation on the Board. The Board of Directors consists of six members, which is made up of three Scioto County Commissioners and three Lawrence County Commissioners. Maintenance of the financial records pertaining to the operation of the District had been maintained by Lawrence County. In November 2012, Scioto County became the permanent fiscal agent for the District.

The County has an investment that is explicit and measurable in that the joint venture agreement stipulates that the participants have a future claim to the net resources of the District upon its dissolution. The agreement also sets forth the method to determine each members' proportionate share.

The District is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit or burden on the members in the future. The County's investment interest in the District was \$446,790 as of December 31, 2023. Complete financial statements can be obtained from the Scioto County Auditor's Office at 602 7<sup>th</sup> Street, Room 103, Portsmouth, OH 45662.

**NOTE 19 - RISK SHARING POOL**

**COUNTY RISK SHARING AUTHORITY, INC. (CORSА)**

The County Risk Sharing Authority, Inc. (CORSА) is a risk sharing pool among 66 counties in Ohio. CORSА was formed as an Ohio non-profit corporation for the purpose of establishing the CORSА Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSА. The coverage includes 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 CORSА 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 budgetary and financing of CORSА is limited to its voting authority and any representative it may have on the board of trustees.

CORSА 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 CORSА. The participating counties have no responsibility for the payments of the certificates. The County does not have an equity interest in CORSА. The County's payment for insurance to CORSА in 2023 was \$416,190. Financial statements may be obtained by contacting the County Commissioners' Association of Ohio at 209 East State Street, Columbus, Ohio 43215-4309.

**NOTE 20 – SIGNIFICANT COMMITMENTS**

**CONTRACTUAL COMMITMENTS**

As of December 31, 2023, the County had the following contractual purchase commitments for various projects:

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

Project/Contractor	Balance at December 31, 2023
Franklin Furnance - CDC of Ohio	\$21,000
Lucasville Equipment Stormwater - Distel Construction	159,020
Rosemount-Selby - The Shelly Company	186,127
Jail Construction - TSHD Architects	21,306
Chiller Project for Carousel Center - Veregy	200,757
2023 Reappraisal - Tyler CLT	153,624
2022 Reappraisal - Tyler CLT	88,840
Courthouse Security Upgrade - West End Electric	42,671
Airport Sign Project - Sun Sign Company, LLC	54,000
Pershing Ave Sanitary Sewer Ext - Strand Associates	19,670
Wheeler's Mill Sewer Improvements - Strand Associates	72,230
Total	<u><u>\$1,019,245</u></u>

On May 27, 2021 the Board of County Commissioners approved a resolution authorizing the County's pledge of non-tax revenues to support the issuance of special obligation revenue bonds of the Southern Ohio Port Authority to finance commercial facilities and public infrastructure improvements within the County. The resolution authorizes the pledge of County non-tax revenues in accordance with the terms of the Cooperative agreement to secure the payment of debt service charges on the Southern Ohio Port Authority's Taxable Special Obligation Revenue Bonds, Series 2021.

### **ENCUMBRANCES**

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances 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 fiscal year were as follows:

Governmental Funds:	
General	\$2,753,834
Public Assistance	308,950
Motor Vehicle Gas Tax	672,762
Board of Developmental Disabilities	27,114
Local Fiscal Recovery	72,546
Nonmajor Governmental Funds	464,582
Total Governmental Funds	<u>4,299,788</u>
Proprietary Funds:	
Sanitary Sewer	758,998
Total	<u><u>\$5,058,786</u></u>

### **NOTE 21 - CONTINGENT LIABILITIES**

#### **LITIGATION**

The County is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.



**FEDERAL AND STATE GRANTS**

For the period January 1, 2023, to December 31, 2023, the County received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County believes such disallowance, if any, would be immaterial.

**NOTE 22 - RELATED PARTY TRANSACTIONS**

The Scioto County Airport Authority, a discretely presented component unit of Scioto County, received contributions from the County for facilities, salaries, and fringe benefits. These contributions are reflected as operating revenues and expenses at cost or fair value as applicable, in the financial statements of the Airport. In 2023, these contributions were \$104,719.

The Southern Ohio Port Authority, a discretely presented component unit of Scioto County, was paid \$392,000 on October 26, 2023 by the County for the airport building as a part of the SOAR project. This related to a resolution by the Board of County Commissioners on September 14, 2024, which the commissioners authorized an appropriation of funds for the airport building as a part of the SOAR project.

**NOTE 23 - FUND BALANCES**

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

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

Fund Balances	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund	Children Services Fund	Nonmajor Governmental Funds	Total
<b><i>Nonspendable</i></b>							
Prepays	\$387,737	\$81,439	\$26,643	\$81,475	\$0	\$87,089	\$664,383
Materials and							
Supplies Inventory	117,822	24,255	667,968	6,003	0	9,580	825,628
Long-term Receivable	70,000	0	0	0	0	0	70,000
Unclaimed Monies	619,808	0	0	0	0	0	619,808
<b><i>Total Nonspendable</i></b>	<b>1,195,367</b>	<b>105,694</b>	<b>694,611</b>	<b>87,478</b>	<b>0</b>	<b>96,669</b>	<b>2,179,819</b>
<b><i>Restricted for</i></b>							
Debt Service	0	0	0	0	0	75,412	75,412
Capital Projects	0	0	0	0	0	2,572,976	2,572,976
Public Safety	0	0	0	0	0	2,545,420	2,545,420
Human Services	0	1,134,492	0	0	352,745	4,033,511	5,520,748
Public Works	0	0	7,166,705	0	0	0	7,166,705
Health	0	0	0	6,650,555	0	632,563	7,283,118
Community and							
Economic Development	0	0	0	0	0	339,994	339,994
Transportation	0	0	0	0	0	638,239	638,239
Judicial	0	0	0	0	0	962,584	962,584
Legislative and Executive	0	0	0	0	0	2,342,791	2,342,791
Conservation and Recreation	0	0	0	0	0	24,447	24,447
<b><i>Total Restricted</i></b>	<b>0</b>	<b>1,134,492</b>	<b>7,166,705</b>	<b>6,650,555</b>	<b>352,745</b>	<b>14,167,937</b>	<b>29,472,434</b>
<b><i>Committed to</i></b>							
Judicial Programs	0	0	0	0	0	320,744	320,744
<b><i>Assigned to</i></b>							
Future Appropriations	1,596,323	0	0	0	0	0	1,596,323
Debt Service	0	0	0	0	0	6,172	6,172
Purchases on Order	2,394,012	0	0	0	0	0	2,394,012
Public Safety Programs	76,866	0	0	0	0	0	76,866
Judicial Programs	503	0	0	0	0	0	503
Legislative and Executive	11,526	0	0	0	0	0	11,526
<b><i>Total Assigned</i></b>	<b>4,079,230</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,172</b>	<b>4,085,402</b>
<b><i>Unassigned (Deficit)</i></b>	<b>5,702,257</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(225,496)</b>	<b>5,476,761</b>
<b><i>Total Fund Balances</i></b>	<b>\$10,976,854</b>	<b>\$1,240,186</b>	<b>\$7,861,316</b>	<b>\$6,738,033</b>	<b>\$352,745</b>	<b>\$14,366,026</b>	<b>\$41,535,160</b>

**NOTE 24 – ACCOUNTABILITY**

At December 31, 2023, the following funds had deficit fund balances:

Funds	Amounts
Jail Construction Fund	\$83,819
Rarden Hazelbaker Bridge Fund	46,155
Henley Deemer Road	
Bridge Replacement Fund	11,625
White Gravel McDaniel Road	
Bridge Replacement Fund	51,955
ARPA Wellness Grant Fund	31,622
Total	<u>\$225,176</u>

The General Fund provides transfers to cover deficit balances in other funds, this is done when cash is needed rather than when accruals occur.

**NOTE 25 – 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. The County will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

During 2023, the County spent \$3,670,101 for public safety, economic development, and capital projects in American Rescue Plan Act Coronavirus State and Local Fiscal Recovery (SLFRF) funds.

**NOTE 26 – SUBSEQUENT EVENTS**

On May 16, 2024, the Board of County Commissioner approved a resolution for the issuance and sale of bonds in the maximum aggregate principal amount of not to exceed \$4,000,000 for the purpose of paying the costs of the acquisition, construction, equipping, and installation of water line improvements for the Greater Portsmouth Regional Airport. Maximum maturity of the bonds will be forty years with an interest rate not to exceed six percent per annum.

On May 23, 2024 the Board of County Commissioners awarded a bid to The Shelly Company in the amount of \$693,426 for the Ohio River Road Safety Project. On July 18, 2024 the Board of County Commissioners awarded the 2024 Scioto County Paving Project to The Shelly Company in the amount of \$ 4,267,011. On September 5, 2024, the Board approved entering contract with Fields Excavating in the amount of \$2,721,880 for Pershing Ave and Pinedale Sewer Extension Project.

**NOTE 27 - DISCRETELY PRESENTED COMPONENT UNITS**

**SCIOTO COUNTY AIRPORT AUTHORITY**

As indicated in Note 1 to the Basic Financial Statements, the following disclosures are made on behalf of the Scioto County Airport Authority:

Measurement Focus and Basis of Accounting - The Airport is accounted for like proprietary funds using the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Budgetary Basis of Accounting - Budgetary information for the discretely presented component unit is not presented because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary financial records.

Deposits - Protection of the Airport'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.

Lease Receivable - The Airport is reporting leases receivable of \$126,158 at December 31, 2023. This amount represents the discounted future lease payments. This amount is being amortized using the interest method. For 2023, the Airport recognized lease revenue of \$20,756 and interest revenue of \$2,245 related to lease payments received.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

Capital Assets - A summary of the Airport's capital assets at December 31, 2023, follows:

Land	\$365,737
Construction in Progress	42,742
Land Improvements	4,167,928
Buildings	1,871,654
Machinery and Equipment	210,809
Vehicles	174,170
Less: Accumulated Depreciation	(2,507,688)
Total Capital Assets (Net)	<u>\$4,325,352</u>

As of December 31, 2023, the Airport had the following contractual purchase commitments for:

<u>Project/Contractor</u>	<u>Balance at December 31, 2023</u>
Stantec New PAPIs	\$39,658
2022 ODOT Runway Lighting-task 600	
Stantec Consulting Services Inc.	10,324
Jess Howard Electric Company	1,442
Total	<u>\$51,424</u>

**SCIOTO COUNTY LAND REUTILIZATION CORPORATION**

As indicated in Note 1 to the Basic Financial Statements, the following disclosures are made on behalf of the Scioto County Land Reutilization Corporation:

Summary of Significant Accounting Policies - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of the revenues, expenses, gains, losses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Budgetary Basis of Accounting - The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. However, the Board of Directors of the Corporation adopted an annual budget for the fiscal year.

Deposits - At December 31, 2023, the Corporation's bank balance of \$605,094 balances was covered by Federal Deposit Insurance Corporation (FDIC) or by the Ohio Pooled Collateral System (OPCS), as discussed below.

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

Transactions with Scioto County

The Corporation has an agreement with Scioto County which states Scioto County employees will operate the daily activities of the Corporation and, in return, Scioto County will receive the amount when the Corporation receives funds from property sales.

**SOUTHERN OHIO PORT AUTHORITY**

As indicated in Note 1 to the Basic Financial Statements, the following disclosures are made on behalf of the Southern Ohio Port Authority:

Summary of Significant Accounting Policies - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of the revenues, expenses, gains, losses and other changes in net position during the reporting period. All transactions have been accounted for in a single enterprise fund.

Measurement Focus and Basis of Accounting - The Port Authority is accounted for like proprietary funds using the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Budgetary Basis of Accounting - Ohio Revised Code Section 4582.13 requires the Port Authority to annually prepare a budget. No further approvals or actions are required under Section 4582 of the Ohio Revised Code.

Cash, Cash Equivalents and Investments - The Ohio Revised Code prescribes allowable deposits and investments. For purposes of the statement of cash flows, the Port Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Port Authority invests in a nonnegotiable certificate of deposits with a local financial institute. This investment is reported at cost.

Protection of the Port Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2023, the bank balance of the Port Authority's deposits was \$857,150 of which \$500,000 was covered by federal depository insurance and \$357,150 was uninsured and uncollateralized. The Port Authority also has investments in money market funds which are held by a trustee in accordance with a trust agreement entered into in conjunction with the 2021 bond issuance. These investments are reported as "cash and cash equivalents held by trustee" in their accompanying financial statements.

Capital Assets: - A summary of the Port Authority's capital assets at December 31, 2023, follows:

	12/31/2023
Land	\$1,055,570
Buildings and Improvements	9,227,913
Less Accumulated Depreciation	<u>(31,873)</u>
Total Capital Assets, net	<u><u>\$10,251,610</u></u>

Long Term Obligations – During 2021, the Port Authority issued special obligation revenue bonds in the amount of \$6,100,000 for the purpose of funding the construction of a 44,000 square-foot logistics building, certain roadway and public infrastructure improvements, and certain related costs including design, engineering, construction, equipping, improving, installation, and inspection. The bonds final maturity is in 2041. The balance outstanding as of December 31, 2023, is \$5,875,000.

Net OPEB Liability – The Port Authority's contractually required contribution was \$0 for 2023.

**OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2023, the Port Authority's previously reported deferred inflows of resources related to OPEB was fully amortized.

*Sensitivity of the Port Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate* The Port Authority's proportionate share of the net OPEB liability is calculated using the single discount rate of 6.00 percent, as well as what the Port Authority'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. The Port Authority had a 0 percent proportionate share for the year ended December 31, 2021.

*Sensitivity of the Port Authority's Proportionate Share of the Net OPEB Liability (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 (asset). The net OPEB liability (asset) is calculated using the assumed trend rates, and the expected net OPEB liability (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. The Port Authority had a 0 percent proportionate share for the year ended December 31, 2021.

*Deferred Inflows of Resources* - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the Port Authority, deferred inflows of resources included leases. The deferred inflow for leases is related to the lease receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease.

*Risk Management* - The Port Authority is included in Scioto County's County Risk Sharing Authority Joint Self Insurance Pool formed under Ohio Revised Code Section 2744. It provided for the following: comprehensive property and general liability coverage; vehicles; and errors and omissions. During 2023, the Port Authority had no settlements that exceeded insurance coverage in any of the past three years. There were also no significant changes in coverage from the prior year.

*Conduit Debt Obligations* - In order to provide financial assistance to private sector entities for the acquisition and construction of commercial and industrial facilities deemed to be in the public interest, the Port Authority, has from time to time, issued conduit debt. This debt is secured by the property financed and is payable solely from payments received on the underlying mortgage loans.

Ownership of the acquired facilities transfers to the private sector entity served by the bond issuance upon repayment of the bonds. The Port Authority, the State, nor any other political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the conduit debt is not reported as liabilities in the accompanying financial statements.

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

---

As of December 31, 2023, there is one conduit debt outstanding, that was originally filed for \$10,000,000. The Educational Facilities Development Revenue Bond is still outstanding but is currently being paid by the Clark Foundation. As of December 31, 2023, the outstanding balance of this debt was \$5,976,395.

There was a second conduit debt outstanding that was issued in 2013 on behalf of Scioto County. The original issuance was for Economic Development Facilities Refunding Revenue Bonds in the amount of \$1,815,000. As of December 31, 2023, the outstanding balance of this debt reported by Scioto County was \$360,000.

There was a third conduit debt outstanding that was issued in 2020 on behalf of PureCycle Technologies. The original issuance was for Exempt Facility Revenue Bonds in the amount of \$249,550,000. As of December 31, 2023, the outstanding balance of this debt was \$249,550,000.

Leases Receivable—The Port Authority is reporting a lease receivable of \$5,767,533 at December 31, 2023. This amount represents discounted future lease payments. This discount is being amortized using the interest method. For 2023, the Port Authority reported lease and interest revenues of \$332,467 and \$112,068, respectively. A description of the Port Authority's leasing arrangement is as follows:

The Port Authority entered into a lease agreement with Evans Food Group, Ltd. (Tenant) for a ten-year term beginning when the Tenant receives a certificate of occupancy, expected in July 2023. This lease is subject to four 5-year renewal periods and also contains an option to purchase clause. The Tenant will remit monthly lease installments ranging from \$26,600 to \$30,836 to the Port Authority for the term of the lease, including renewal periods.

**NOTE 28 - CONDENSED COMPONENT UNIT STATEMENTS**

**CONDENSED COMPONENT UNIT STATEMENT OF NET POSITION**

**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

	Scioto County Airport Authority	Scioto County Land Reutilization Corporation	Southern Ohio Port Authority	Total
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$222,331	\$605,094	\$696,694	\$1,524,119
Restricted Assets:				
Cash and Cash Equivalents Held by Trustee	0	0	96,712	96,712
Cash and Cash Equivalents	0	0	63,744	63,744
Accounts Receivable	1,174	0	0	1,174
Prepays	818	0	0	818
Due from Other Governments	6,386	0	0	6,386
Leases Receivable	126,158	0	5,767,533	5,893,691
Unamortized Bond Discount	0	0	68,748	68,748
Assets Held for Resale	0	1,353,115	0	1,353,115
Capital Assets:				
Non Depreciable Capital Assets	408,479	0	1,055,570	1,464,049
Depreciable Capital Assets, Net	3,916,873	0	9,196,040	13,112,913
<i>Total Assets</i>	<u>4,682,219</u>	<u>1,958,209</u>	<u>16,945,041</u>	<u>23,585,469</u>
<b>Liabilities:</b>				
Accounts Payable	\$6,542	\$0	\$8,346	\$14,888
Contracts Payable	1,653	3,699	0	5,352
Accrued Interest Payable	0	0	17,576	17,576
Accrued Liabilities	0	46,673	0	46,673
Due to Grantors	0	39,264	0	39,264
Unearned Revenue	0	15,320	120,000	135,320
Long Term Liabilities:				
Due Within One Year	0	0	235,000	235,000
Due in More Than One Year:				
Other Amounts	0	0	5,640,000	5,640,000
<i>Total Liabilities</i>	<u>8,195</u>	<u>104,956</u>	<u>6,020,922</u>	<u>6,134,073</u>
<b>Deferred Inflows of Resources:</b>				
Leases	126,158	0	5,767,533	5,893,691
<b>Net Position:</b>				
Net Investment in Capital Assets	4,323,699	0	4,542,070	8,865,769
Restricted	0	0	60,100	60,100
Unrestricted	224,167	1,853,253	554,416	2,631,836
<i>Total Net Position</i>	<u>\$4,547,866</u>	<u>\$1,853,253</u>	<u>\$5,156,586</u>	<u>\$11,557,705</u>



**SCIOTO COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023

**CONDENSED COMPONENT UNIT STATEMENT OF ACTIVITIES**

	Scioto County Airport Authority	Scioto County Land Reutilization Corporation	Southern Ohio Port Authority	Total
Expenses:	<u>\$694,721</u>	<u>\$1,126,108</u>	<u>\$271,466</u>	<u>\$2,092,295</u>
Program Revenues:				
Charges for Services and Sales	410,266	0	333,667	743,933
Operating Grants and Contributions	104,719	1,184,731	2,503,582	3,793,032
Capital Grants and Contributions	<u>439,051</u>	<u>0</u>	<u>0</u>	<u>439,051</u>
Total Program Revenues	954,036	1,184,731	2,837,249	4,976,016
Interest	<u>2,502</u>	<u>0</u>	<u>144,452</u>	<u>146,954</u>
Total Revenues	<u>956,538</u>	<u>1,184,731</u>	<u>2,981,701</u>	<u>5,122,970</u>
Income Before Sale of Assets	261,817	58,623	2,710,235	3,030,675
Gain on Sale of Assets	<u>4,664</u>	<u>0</u>	<u>0</u>	<u>4,664</u>
Change in Net Position	266,481	58,623	2,710,235	3,035,339
<i>Net Position at Beginning of Year</i>	<u>4,281,385</u>	<u>1,794,630</u>	<u>2,446,351</u>	<u>8,522,366</u>
<i>Net Position at End of Year</i>	<u>\$4,547,866</u>	<u>\$1,853,253</u>	<u>\$5,156,586</u>	<u>\$11,557,705</u>

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Ohio Public Employees Retirement System - Traditional Plan  
Last Ten Years

	2023	2022	2021	2020
County's Proportion of the Net Pension Liability	0.15847524%	0.16136428%	0.15368507%	0.14430031%
County's Proportionate Share of the Net Pension Liability	\$46,813,657	\$14,039,348	\$22,757,416	\$28,521,937
County's Covered Payroll	\$23,829,803	\$22,743,278	\$21,061,645	\$20,804,986
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	196.45%	61.73%	108.05%	137.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

Amounts presented as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.14956893%	0.15102596%	0.15310712%	0.15238630%	0.15310760%	0.15310760%
\$40,963,900	\$23,693,048	\$34,768,024	\$26,395,228	\$18,466,488	\$18,049,391
\$19,636,845	\$19,458,971	\$19,884,376	\$18,474,210	\$18,192,968	\$17,879,362
208.61%	121.76%	174.85%	142.88%	101.50%	100.95%
74.70%	84.66%	77.25%	81.08%	86.45%	86.45%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)  
Ohio Public Employees Retirement System - Combined Plan  
Last Six Years (1)

	2023	2022	2021
County's Proportion of the Net Pension Liability (Asset)	0.04249014%	0.05600595%	0.07064134%
County's Proportionate Share of the Net Pension Liability (Asset)	(\$100,144)	(\$220,667)	(\$203,916)
County's Covered Payroll	\$198,271	\$255,329	\$311,314
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(50.51)%	(86.42)%	(65.50)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.14%	169.88%	157.67%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

Amounts presented as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2020	2019	2018
0.06570641%	0.06829029%	0.06715062%
(\$137,011)	(\$76,366)	(\$91,414)
\$307,693	\$292,071	\$275,015
(44.53)%	(26.15)%	(33.42)%
145.28%	126.64%	137.28%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the  
Net OPEB Liability (Asset)  
Ohio Public Employees Retirement System - OPEB Plan  
Last Seven Years (1)

	2023	2022	2021	2020
County's Proportion of the Net OPEB Liability (Asset)	0.14990052%	0.15301132%	0.14589575%	0.13696067%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$945,151	(\$4,792,549)	(\$2,599,248)	\$18,917,824
County's Covered Payroll	\$24,256,849	\$23,190,232	\$21,485,059	\$21,224,104
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.90%	(20.67)%	(12.10)%	89.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the County's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2019	2018	2017
0.14207400%	0.14345900%	0.14614860%
\$18,523,094	\$15,578,589	\$14,221,450
\$20,048,166	\$19,855,111	\$20,336,027
92.39%	78.46%	69.93%
46.33%	54.14%	54.04%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
State Teachers Retirement System of Ohio  
Last Ten Years

	2023	2022	2021	2020
County's Proportion of the Net Pension Liability	0.00533756%	0.00511022%	0.00506260%	0.00535728%
County's Proportionate Share of the Net Pension Liability	\$1,149,441	\$1,136,011	\$647,300	\$1,296,271
County's Covered Payroll	\$720,935	\$664,350	\$624,693	\$646,536
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	171.00%	103.62%	200.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

Amounts presented for each fiscal year were determined as of June 30th.

See accompanying notes to the required supplementary information.



2019	2018	2017	2016	2015	2014
0.00613029%	0.00593058%	0.00489094%	0.00604072%	0.00591745%	0.00652135%
\$1,355,677	\$1,304,002	\$1,161,853	\$2,022,011	\$1,635,410	\$1,586,219
\$719,721	\$674,207	\$537,700	\$635,600	\$617,386	\$717,554
188.36%	193.41%	216.08%	318.13%	264.89%	221.06%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)  
State Teachers Retirement System of Ohio  
Last Seven Fiscal Years (1)

	2023	2022	2021
County's Proportion of the Net OPEB Liability (Asset)	0.00533756%	0.00511022%	0.00506260%
County's Proportionate Share of the Net: OPEB Liability (Asset)	(\$103,809)	(\$132,320)	(\$106,740)
County's Covered Payroll	\$720,935	\$664,350	\$624,693
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(14.40)%	(19.92)%	(17.09)%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	168.50%	230.70%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each fiscal year were determined as of June 30th.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.00535728%	0.00613029%	0.00593058%	0.00489094%
(\$94,153)	(\$101,532)	(\$95,298)	\$190,827
\$646,536	\$719,721	\$674,207	\$537,700
(14.56)%	(14.11)%	(14.13)%	0.00%
182.10%	174.70%	176.00%	47.10%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of County Contributions  
State Teachers Retirement System of Ohio  
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$97,725	\$95,537	\$91,003	\$89,412	\$98,887
Contributions in Relation to the Contractually Required Contribution	<u>(97,725)</u>	<u>(95,537)</u>	<u>(91,003)</u>	<u>(89,412)</u>	<u>(98,887)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$698,036	\$682,407	\$650,021	\$638,657	\$706,336
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
<b>Net OPEB Asset / Liability</b>					
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$102,663	\$82,322	\$83,684	\$85,682	\$91,873
<u>(102,663)</u>	<u>(82,322)</u>	<u>(83,684)</u>	<u>(85,682)</u>	<u>(91,873)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$733,307	\$588,014	\$597,743	\$612,014	\$681,888
14.00%	14.00%	14.00%	14.00%	13.47%
\$0	\$0	\$0	\$0	\$3,614
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,614)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.00%	0.00%	0.53%
14.00%	14.00%	14.00%	14.00%	14.00%

**SCIOTO COUNTY, OHIO**  
Required Supplementary Information  
Schedule of County Contributions  
Ohio Public Employees Retirement System  
Last Ten Years (1)(2)

	2023	2022	2021	2020
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$3,687,736	\$3,436,990	\$3,279,001	\$3,029,577
Contributions in Relation to the Contractually Required Contribution	<u>(3,687,736)</u>	<u>(3,436,990)</u>	<u>(3,279,001)</u>	<u>(3,029,577)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$25,518,247	\$23,829,803	\$22,743,278	\$21,061,645
Contributions as a Percentage of Covered Payroll	14.45%	14.42%	14.42%	14.38%
<b>Net Pension Liability - Combined Plan</b>				
Contractually Required Contribution	\$24,579	\$27,758	\$35,746	\$43,584
Contributions in Relation to the Contractually Required Contribution	<u>(24,579)</u>	<u>(27,758)</u>	<u>(35,746)</u>	<u>(43,584)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$204,825	\$198,271	\$255,329	\$311,314
Contributions as a Percentage of Covered Payroll	12.00%	14.00%	14.00%	14.00%
<b>Net OPEB Liability - OPEB Plan</b>				
Contractually Required Contribution	\$13,459	\$9,151	\$7,665	\$4,484
Contributions in Relation to the Contractually Required Contribution	<u>(13,459)</u>	<u>(9,151)</u>	<u>(7,665)</u>	<u>(4,484)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$26,009,372	\$24,256,849	\$23,190,232	\$21,485,059
Contributions as a Percentage of Covered Payroll	94.79%	0.04%	0.03%	0.02%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available for the combined plan.  
An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans;  
therefore, information prior to 2016 is not presented for the OPEB plan.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the  
member directed plan. The member directed pension plan is a defined contribution pension  
plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$2,994,927	\$2,828,190	\$2,606,685	\$2,465,706	\$2,288,853	\$2,256,548
(2,994,927)	(2,828,190)	(2,606,685)	(2,465,706)	(2,288,853)	(2,256,548)
\$0	\$0	\$0	\$0	\$0	\$0
\$20,804,986	\$19,636,845	\$19,458,971	\$19,884,376	\$18,474,210	\$18,192,968
14.40%	14.40%	13.40%	12.40%	12.39%	12.40%
\$43,077	\$40,890	\$35,752	\$34,935		
(43,077)	(40,890)	(35,752)	(34,935)		
\$0	\$0	\$0	\$0		
\$307,693	\$292,071	\$275,015	\$291,125		
14.00%	14.00%	13.00%	12.00%		
\$4,457	\$4,770	\$202,185	\$409,931		
(4,457)	(4,770)	(202,185)	(409,931)		
\$0	\$0	\$0	\$0		
\$21,224,104	\$20,048,166	\$19,855,111	\$20,336,027		
0.02%	0.02%	1.02%	2.02%		

**This page intentionally left blank.**



**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

---

**CHANGES IN ASSUMPTIONS – OPERS PENSION – TRADITIONAL PLAN**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018 and 2017</u>	<u>2016 and prior</u>
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates 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.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used

**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**CHANGES IN ASSUMPTIONS – OPERS PENSION – COMBINED PLAN**

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees:	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

**CHANGES IN ASSUMPTIONS – STRS PENSION**

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

	2022	2017	2016 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

---

Investment rate of return:

2021 through 2023	7.00 percent, net of investment expenses, including inflation
2017 through 2020	7.45 percent, net of investment expenses, including inflation
2016 and prior	7.75 percent, net of investment expenses, including inflation

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

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

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

**CHANGES IN ASSUMPTIONS – OPERS OPEB**

Wage Inflation:

2023 and 2022	2.75 percent
2021 and prior	3.25 percent

Projected Salary Increases (including wage inflation):

2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent

Investment Return Assumption:

Beginning in 2019	6.00 percent
2018	6.50 percent

Municipal Bond Rate:

2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

---

Single Discount Rate:

2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
2017	4.23 percent

Health Care Cost Trend Rate:

2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial

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.

**CHANGES IN BENEFIT TERMS – STRS PENSION**

For 2023, Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For 2022, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during Fiscal Year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

---

**CHANGES IN BENEFIT TERMS – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

**CHANGES IN ASSUMPTIONS – STRS OPEB**

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

For 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015, through June 30, 2021, and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

For 2021, 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

For 2021, the discount rate was decreased from 7.45 percent to 7.00 percent.

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

**CHANGES IN BENEFIT TERMS – STRS OPEB**

For 2023, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.

For 2021, 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.

**SCIOTO COUNTY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023

---

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

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

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

SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<b><i>Passed through Ohio Department of Job and Family Services</i></b>				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6987/G-2425-11-6196	N/A	\$524,561
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6987	N/A	70,868
Total Supplemental Nutrition Assistance Program Cluster				<u>595,429</u>
<b><i>Passed through Ohio Department of Natural Resources</i></b>				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	N/A	N/A	<u>12,840</u>
<b><i>Direct from the U.S. Department of Agriculture</i></b>				
Water and Waste Disposal Systems for Rural Communities - Grant	10.760	N/A	N/A	200,000
Water and Waste Disposal Systems for Rural Communities - Loan		N/A	N/A	120,165
Total Water and Waste Disposal Systems for Rural Communities				<u>320,165</u>
Total U.S. Department of Agriculture				<u>928,434</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b><i>Passed through Ohio Development Services Agency</i></b>				
Community Development Block Grants/State's Program	14.228			
Community Development Program		B-F-20-1CP-1	N/A	76,120
Community Housing Impact and Preservation Program		B-C-19-1CP-1	N/A	6,431
		B-C-21-1CP-1	N/A	73,641
Total Community Development Block Grants/State's Program				<u>156,192</u>
Home Investment Partnerships Program	14.239	B-C-21-1CP-2	N/A	<u>359,471</u>
Total U.S. Department of Housing and Urban Development				<u>515,663</u>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>				
<b><i>Direct Program</i></b>				
Payments in Lieu of Taxes	15.226	N/A	N/A	18,078
<b><i>Passed through Ohio Department of Natural Resources</i></b>				
National Forest Acquired Lands	15.438	N/A	N/A	<u>14,707</u>
Total U.S. Department of the Interior				<u>32,785</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b><i>Direct from the Office of Justice Programs Bureau of Justice Assistance</i></b>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	N/A	1,498
<b><i>Direct from the United States Marshals Service</i></b>				
Equitable Sharing Program	16.922	N/A	N/A	40,452
<b><i>Passed through Ohio Attorney General Crime Victims Section</i></b>				
Crime Victim Assistance	16.575	2023-VOCA-135109091	N/A	12,414
		2023-VOCA-135107106	N/A	28,128
		2024-VOCA-135500554	N/A	27,103
Total Crime Victim Assistance				<u>67,645</u>
<b><i>Passed through Ohio Department of Public Safety Office of Criminal Justice Services</i></b>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-JG-AO3-6220E	N/A	<u>15,379</u>
Total U.S. Department of Justice				<u>124,974</u>
(Continued)				

SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<b><i>Direct from the United States Federal Aviation Administration</i></b>				
COVID-19 Airport Improvement Program	20.106	3-39-0069-023-2021	N/A	156,265
<b><i>Passed Through Ohio Department of Transportation</i></b>				
Highway Planning and Construction	20.205			
SCI-CR 253 0.00 Widening		104687	N/A	709,362
SCI-CR 2 0.00 Widening		104688	N/A	1,337,302
SCI-CR 33-0.19 OBPP		115565	N/A	683,025
SCI-CR 377 0.7 CEAO Safety		115821	N/A	250,216
SCI-CR 2/53-0.43/0.00 Paving		116883	N/A	435,000
SCI-CR 39-7.61 Bridge Replace		117352	N/A	121,500
SCI-CR 45-0.11 Bridge Replace		117354	N/A	698,375
Total Highway Planning and Construction				4,234,780
Formula Grants for Rural Areas	20.509	112310	N/A	258,874
		112531	N/A	279,982
Total Formula Grants for Rural Areas				538,856
Total Passed Through Ohio Department of Transportation				4,773,636
<b><i>Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services</i></b>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2023-Scioto Co. Sheriff's Offi-00045	N/A	13,350
		STEP-2024-Scioto Co. Sheriff's Offi-00039	N/A	2,854
Total State and Community Highway Safety				16,204
Total Highway Safety Cluster				16,204
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2023-Scioto Co. Sheriff's Offi-00045	N/A	11,304
		IDEP-2024-Scioto Co. Sheriff's Offi-00039	N/A	2,532
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				13,836
Total Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services				30,040
Total U.S. Department of Transportation				4,959,941
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<b><i>Direct from the United States Department of the Treasury</i></b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	800,174	3,670,101
<b><i>Passed through the Ohio Emergency Management Agency</i></b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	42,053
<b><i>Passed through the Ohio Department of Job and Family Services</i></b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2425-11-6196	N/A	121,182
<b><i>Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services</i></b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-LEP-935	N/A	285,424
		2022-AR-LEP-1056	N/A	169,687
		2022-AR-CCB-1144	N/A	223,746
Total Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services				678,857
Total U.S. Department of the Treasury				4,512,193
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<b><i>Passed through Ohio Department of Education</i></b>				
Special Education Cluster:				
Special Education- Grants to States	84.027A	078063-6BSF-2023	N/A	34,390
Special Education- Preschool Grants	84.173A	078063-PGS1-2023	N/A	380
Total Special Education Cluster				34,770
COVID-19 Education Stabilization Fund	84.425C	2023	N/A	63,170
Total Passed Through Ohio Department of Education				97,940
<b><i>Passed through Ohio Department of Developmental Disabilities</i></b>				
COVID-19 Special Education - Grants for Infants and Families	84.181X	H181X210024	N/A	240,687
Total United States Department of Education				338,627
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>				
<b><i>Passed through the Ohio Secretary of State:</i></b>				
HAVA Election Security Grants	90.404	N/A	N/A	4,272
Total U.S. Election Assistance Commission				4,272

(Continued)



SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b><i>Passed through the Ohio Department of Job and Family Services</i></b>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6988/G-2425-11-6196	N/A	20,817
Child Support Services	93.563	G-2223-11-6987/G-2425-11-6196	N/A	626,930
Foster Care Title IV-E	93.658	G-2223-11-6988/G-2425-11-6196	N/A	2,091,996
Adoption Assistance	93.659	G-2223-11-6988/G-2425-11-6196	N/A	121,555
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6988/G-2425-11-6196	N/A	44,942
Social Services Block Grant	93.667	G-2223-11-6987/G-2425-11-6196	118,711	879,674
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2425-11-6196	N/A	1,502
Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6987/G-2425-11-6196	854,180	3,294,606
CCDF Cluster: Child Care and Development Block Grant	93.575	G-2223-11-6987/G-2425-11-6196	N/A	200,006
Children's Health Insurance Program	93.767	G-2223-11-6987/G-2425-11-6196	N/A	40,537
COVID-19 Children's Health Insurance Program	93.767	G-2223-11-6987/G-2425-11-6196	N/A	1,205
Total Children's Health Insurance Program				<u>41,742</u>
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2223-11-6987/G-2223-11-6988/G-2425-11-6196	N/A	1,786,100
COVID-19 Medical Assistance Program	93.778	G-2425-11-6196	N/A	<u>70</u>
Total Medical Assistance Program				<u>1,786,170</u>
Total Passed through the Ohio Department of Job and Family Services				9,109,940
<b><i>Passed through the Educational Service Center of Northeast Ohio</i></b>				
Maternal and Child Health Federal Consolidated Programs	93.110	6 U2ZMC46637-01-01	N/A	118,706
<b><i>Passed through Ohio Department of Developmental Disabilities</i></b>				
Social Services Block Grant	93.667	N/A	N/A	<u>47,326</u>
Total U.S. Department of Health and Human Services				<u>9,275,972</u>
<b>U.S. EXECUTIVE OFFICE OF THE PRESIDENT</b>				
<b><i>Passed through the City of Independence, Ohio</i></b>				
High Intensity Drug Trafficking Areas Program	95.001	G23OH0003A	N/A	<u>28,401</u>
Total U.S. Executive Office of the President				<u>28,401</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b><i>Passed through Ohio Department of Natural Resources</i></b>				
Boating Safety Financial Assistance	97.012	N/A	N/A	18,079
<b><i>Passed through the Ohio Emergency Management Agency</i></b>				
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	N/A	<u>49,957</u>
Total U.S. Department of Homeland Security				<u>68,036</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$20,789,298</u></u>

The accompanying notes are an integral part of this schedule.

**This page intentionally left blank.**

**SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Scioto County (the County) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – SUBRECIPIENTS**

The County passes certain federal awards received from the Ohio Department of Job and Family Services and the United States Department of the Treasury 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 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE**

The County has an Economic Development Community Development Block Grant (CDBG) Program Income Account. The current cash balance of Scioto County's local program income account as of December 31, 2023 is \$69,144.

In addition, the County has an Ohio Small Cities Community Development Block Grant (CDBG) Housing Program Income Account. The current cash balance of Scioto County's local program income account as of December 31, 2023 is \$6,759.

**NOTE F – UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOANS OUTSTANDING – EDEN PARK SEWER PROJECT**

The County was previously awarded a grant and a loan through the Water and Waste Disposal Systems for Rural Communities program, A # 10.760. Both grant and loan proceeds were previously reported on the Schedule when expended. The project was completed in 2014, and all funds from both the grant and loan proceeds had been expended as of December 31, 2014. USDA loan proceeds extended over the life of the project totaled \$1,388,000. The balance of USDA loans outstanding relating to the Eden Park Project totaled \$1,189,100 as of December 31, 2021.

On February 10, 2022, the County approved a resolution to enter into a cooperative agreement with the Ohio Water Development Authority for refinancing of a USDA Rural Development Loan with a principal balance of \$331,000 and an existing rate of 4.5% for the construction of sanitary sewers in the Eden Park Area. The application was approved on April 28, 2022 with the new loan amount of \$332,369 at a rate of 3.45% for 29.5 years starting on January 1, 2023. On June 16, 2022 payment of proceeds in the amount of \$331,210 was made to USDA Rural Development.

The balance of the remaining USDA loan outstanding related to the Eden Park Project totaled \$827,600 as of December 31, 2023.

**NOTE G – UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOANS OUTSTANDING – MINFORD SEWER PROJECT**

The County was previously awarded a grant and a loan through the ARRA-Water and Waste Disposal Systems for Rural Communities program, AL # 10.781. Both grant and loan proceeds have been reported on the Schedule when expended. The remaining grant and loan proceeds were drawn down in 2015 and the remaining proceeds were expended in 2017. USDA loan proceeds drawn down over the life of the project total \$14,912,000. Repayment of the loan began in 2016, and the balance of USDA loans outstanding relating to the Minford Sewer Project totaled \$12,855,470 as of December 31, 2023.

**NOTE H – UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) LOANS OUTSTANDING – PURTEE ACRES PROJECT**

The County was awarded a grant and a loan through the Water and Waste Disposal Systems for Rural Communities program, AL # 10.760. Both grant and loan proceeds are reported on the Schedule when expended. USDA loan proceeds drawn down in 2021 totaled \$670,364. An additional \$2,219,651 was drawn down in 2022, leaving a total outstanding balance of \$2,890,015 as of December 31, 2022. An additional \$109,985 was drawn down in 2023 with a principal payment in the amount of \$28,900 paid leaving a total outstanding balance of \$2,971,100 as of December 31, 2023.

**NOTE I - 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



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Scioto County  
602 Seventh Street  
Portsmouth, Ohio 45662

To the Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Scioto County, Ohio (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 6, 2025.

### ***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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

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


***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 questioned costs 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

March 6, 2025



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Scioto County  
602 Seventh Street  
Portsmouth, Ohio 45662

To the Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Scioto County's (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Scioto County's major federal programs for the year ended December 31, 2023. Scioto County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Scioto County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matters***

This report has been issued to replace the report released on March 20, 2025, dated March 6, 2025 for Scioto County, Ohio, for the year ending December 31, 2023 that presented a Section 3 Finding in the Schedule of Findings and Questioned Costs for Federal Awards. Subsequent to issuing that report, we were made aware the Questioned Cost/Noncompliance/Material Weakness included in that schedule as Finding #2023-002 was based on incorrect information and should not have been reported as a finding. This report has been revised to remove Finding #2023-002 regarding allowable activities and costs/cost principles from the Schedule of Findings. As a result of the removal of the Finding, this report also changes



the Qualified Opinion over the requirements applicable to its AL #93.658 Foster Care Title IV-E major federal program to an Unmodified Opinion.

### Report on Internal Control Over Compliance


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

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

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

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

March 6, 2025, except for the removal of Finding #2023-002 and Opinion on AL #93.658, for which the date is August 15, 2025

**This page intentionally left blank.**

**SCIOTO COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Highway Planning and Construction Cluster – AL # 20.205  COVID-19 Coronavirus State and Local Fiscal Recovery Funds – AL # 21.027  Temporary Assistance for Needy Families (TANF) – AL # 93.558  Social Services Block Grant – AL #93.667  Foster Care Title IV-E – AL # 93.658  Medicaid Cluster– AL # 93.778
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2023-001**

**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. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to deficiencies in internal control related to financial reporting, the County misclassified various line items in the annual financial report submitted to the Auditor of State for fiscal year 2023. Some of these errors were not material and as such, are not listed below and were not adjusted on the financial statements. However, the following misstatements occurred and had to be adjusted on the financial statements:

- In the Sewer Fund, Due to Other Funds and Contract Service Expenses were overstated by \$642,181.
- In the Business Type Activities, Internal Balances and Sewer Expenses were overstated by \$642,181.
- In the Board of Developmental Disabilities Fund, Accounts Payable and Health Expenditures were overstated by \$858,756.
- In the Motor Vehicle Gas Tax Fund, \$969,316 of Intergovernmental Revenue was misclassified as Permissive Motor Vehicle License Taxes.
- In the Public Assistance Fund, Accounts Payable and Human Services Expenditures were overstated by \$167,152.

This resulted in audit adjustments and reclassifications to the financial statements. Any fund balance adjustments have been agreed to and posted to the County's accounting system, if necessary.

To ensure the County's financial statements and notes to the financial statements are complete and accurate, the County should adopt and implement policies and procedures, including a final review of the statements and footnotes by the County to identify and correct errors and omissions.

**Officials' Response:**

See Corrective Action Plan.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None.

# Scioto County

OFFICE OF  
COUNTY COMMISSIONERS

BRYAN DAVIS, Chairman  
SCOTTIE POWELL  
CATHY COLEMAN

Room 310, Courthouse  
602 Seventh Street  
PORTSMOUTH, OH 45662



AMANDA HOWARD, Clerk  
[Amanda.howard@sciotocounty.net](mailto:Amanda.howard@sciotocounty.net)  
Telephone (740) 355-8202

JACLYN BURCHETT, Deputy Clerk  
[Jaclyn.burchett@sciotocounty.net](mailto:Jaclyn.burchett@sciotocounty.net)  
Telephone (740) 355-8263

Main Line (740) 355-8313  
Fax (740) 355-7358

## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2023

<b>Finding Number:</b>	2023-001
<b>Planned Corrective Action:</b>	The County will perform a final review of the statements and footnotes provided by Local Government Services to identify and correct errors and omissions.
<b>Anticipated Completion Date:</b>	April 30, 2025
<b>Responsible Contact Person:</b>	David Green



# OHIO AUDITOR OF STATE KEITH FABER



## SCIOTO 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 8/28/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)