



OHIO AUDITOR OF STATE
KEITH FABER



**SCIOTO COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scioto County, Ohio, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, for fiscal year 2022, the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* resulting in the restatement to net position at January 1, 2022. Also, as discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding these matters.

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 Responsibility 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 are 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 May 16, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
May 16, 2024

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SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
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, 2022.

FINANCIAL HIGHLIGHTS

The net position for business-type activity increased \$878,149 during 2022. The increase in 2022 is mainly due to on going infrastructure projects. The net position of the County's governmental activities increased \$6,407,709 due to the State-wide pension system's net difference between projected and actual earnings on pension plan investments.

Revenue increased mainly due to an increase in operating and capital grants and contributions related to Local Fiscal Recovery Funds and County Engineer projects and property taxes due to the County passing a new levy for children services.

The governmental activities deferred outflows increased \$1,007,892 mainly as a result of the State-wide pension system's net difference between projected and actual earnings on pension plan investments.

The County had \$74,281,200 in expenses related to governmental activities: \$49,647,892 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 \$31,035,686 were more than adequate to provide for these programs. The County had \$4,506,867 in expenses related to its business-type activity; all of which were offset by program specific charges for services and sales along with capital 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

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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.

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.

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

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 2022 compared to 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Assets						
Current and						
Other Assets	\$84,822,655	\$78,788,653	\$10,410,681	\$10,628,539	\$95,233,336	\$89,417,192
Net Pension Asset	212,068	195,971	8,599	7,945	220,667	203,916
Net OPEB Asset	4,738,146	2,604,719	186,723	101,269	4,924,869	2,705,988
Investment in						
Joint Venture	463,336	442,856	0	0	463,336	442,856
Capital Assets,						
Net of Depreciation	85,461,882	83,246,137	58,306,916	56,498,556	143,768,798	139,744,693
Total Assets	<u>175,698,087</u>	<u>165,278,336</u>	<u>68,912,919</u>	<u>67,236,309</u>	<u>244,611,006</u>	<u>232,514,645</u>
Deferred Outflows of Resources						
Deferred Charge on						
Refunding	88,765	103,334	895,743	954,250	984,508	1,057,584
Pension	7,333,865	4,749,685	286,853	183,957	7,620,718	4,933,642
OPEB	427,729	1,989,448	16,418	81,744	444,147	2,071,192
Total Deferred Outflows	<u>7,850,359</u>	<u>6,842,467</u>	<u>1,199,014</u>	<u>1,219,951</u>	<u>9,049,373</u>	<u>8,062,418</u>
Liabilities						
Current and Other						
Liabilities	19,349,902	12,151,527	767,273	1,290,592	20,117,175	13,442,119
Long-Term Liabilities:						
Due Within						
One Year	1,976,856	1,897,726	783,719	718,713	2,760,575	2,616,439
Due in More Than One Year						
Net Pension Liability	14,628,369	22,518,062	546,990	886,654	15,175,359	23,404,716
Other Amounts	3,754,302	4,299,917	23,423,970	21,966,567	27,178,272	26,266,484
Total Liabilities	<u>39,709,429</u>	<u>40,867,232</u>	<u>25,521,952</u>	<u>24,862,526</u>	<u>65,231,381</u>	<u>65,729,758</u>
Deferred Inflows of Resources						
Deferred Charge on Refunding	0	0	808,257	853,678	808,257	853,678
Property Taxes	13,460,849	10,402,927	0	0	13,460,849	10,402,927
Revenue in Lieu of Taxes	21,600	21,600	0	0	21,600	21,600
Pension	16,632,085	10,477,788	665,705	385,689	17,297,790	10,863,477
OPEB	4,873,332	7,907,814	192,922	309,419	5,066,254	8,217,233
Total Deferred Inflows	<u>\$34,987,866</u>	<u>\$28,810,129</u>	<u>\$1,666,884</u>	<u>\$1,548,786</u>	<u>\$36,654,750</u>	<u>\$30,358,915</u>

(continued)

Table 1

SCIOTO COUNTY, OHIO
Management’s Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Net Position
(Continued)

	Governmental Activities		Business-Type Activity		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Net Position						
Net Invested in						
Capital Assets	78,761,344	79,382,721	34,125,930	33,342,743	112,887,274	112,725,464
Restricted for:						
Debt Service	61,319	49,914	0	0	61,319	49,914
Capital Projects	4,335,262	1,052,501	0	0	4,335,262	1,052,501
Pension/OPEB Plans	497,676	196,764	18,416	6,913	516,092	203,677
Other Purposes	33,089,194	33,246,899	0	0	33,089,194	33,246,899
Unrestricted (Deficit)	(7,893,644)	(11,485,357)	8,778,751	8,695,292	885,107	(2,790,065)
Total Net Position	\$108,851,151	\$102,443,442	\$42,923,097	\$42,044,948	\$151,774,248	\$144,488,390

The net pension liability (NPL) is the largest single liability reported by the County at December 31, 2022. 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 increased \$10,419,751. The County’s current and other assets increased \$6,034,002. The total increase was due to an increase in property taxes receivable as the County passed a new levy for children services. The net OPEB asset increased 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 \$2,215,745, mainly due to infrastructure projects being completed and started during the year.

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Net position of the County's governmental activities increased \$6,407,709 from the prior year. Restricted for capital projects increased \$3,282,761 due to on going infrastructure projects. Unrestricted Net Position increased \$3,591,713 primarily related to the State-wide pension systems' net difference between projected and actual earnings on pension plan investments.

Net position of the County's business-type activities increased \$878,149. This is mainly due to an increase in capital assets related to additions during the year. Net Invested in Capital Assets increased \$783,187 mostly due to on going infrastructure projects.

Table 2 shows the changes in net position for the years ended December 31, 2022, and 2021.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	Restated				Restated	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$8,893,645	\$8,400,224	\$5,301,357	\$5,681,625	\$14,195,002	\$14,081,849
Operating Grants and Contributions	35,879,230	29,542,270	0	0	35,879,230	29,542,270
Capital Grants and Contributions	4,875,017	2,825,344	50,096	3,868,000	4,925,113	6,693,344
Total Program Revenues	<u>49,647,892</u>	<u>40,767,838</u>	<u>5,351,453</u>	<u>9,549,625</u>	<u>54,999,345</u>	<u>50,317,463</u>
General Revenues:						
Property Taxes	11,619,717	10,496,203	0	0	11,619,717	10,496,203
Other Local Taxes	915,052	807,388	0	0	915,052	807,388
Sales Tax	14,582,208	14,398,490	0	0	14,582,208	14,398,490
Revenue in Lieu of Taxes	2,239	2,112	0	0	2,239	2,112
Grants and Entitlements not Restricted to Specific Programs	3,048,532	2,391,775	0	0	3,048,532	2,391,775
Investment Earnings/Interest	(649,922)	(25,597)	0	0	(649,922)	(25,597)
Miscellaneous	1,517,860	1,024,516	38,894	95,347	1,556,754	1,119,863
Total General Revenues	<u>31,035,686</u>	<u>29,094,887</u>	<u>38,894</u>	<u>95,347</u>	<u>31,074,580</u>	<u>29,190,234</u>
Total Revenues	<u>\$80,683,578</u>	<u>\$69,862,725</u>	<u>\$5,390,347</u>	<u>\$9,644,972</u>	<u>\$86,073,925</u>	<u>\$79,507,697</u>

(continued)

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Table 2
Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activity		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Program Expenses						
General Government:						
Legislative and Executive	\$13,187,969	\$8,196,970	\$0	\$0	\$13,187,969	\$8,196,970
Judicial	2,808,945	1,444,014	0	0	2,808,945	1,444,014
Public Safety:						
Sheriff	9,992,961	8,015,615	0	0	9,992,961	8,015,615
Other	763,886	(1,728,057)	0	0	763,886	(1,728,057)
Public Works	11,123,693	7,542,847	0	0	11,123,693	7,542,847
Health - Primary Government	11,350,727	8,475,361	0	0	11,350,727	8,475,361
Health - Intergovernmental	0	208,907	0	0	0	208,907
Human Services	19,740,522	17,502,583	0	0	19,740,522	17,502,583
Conservation and Recreation	462,762	115,675	0	0	462,762	115,675
Economic Development and Assistance	3,843,877	1,511,327	0	0	3,843,877	1,511,327
Transportation	781,449	642,559	0	0	781,449	642,559
Interest and Fiscal Charges	224,409	189,873	0	0	224,409	189,873
Sewer	0	0	4,506,867	4,092,062	4,506,867	4,092,062
Total Expenses	<u>74,281,200</u>	<u>52,117,674</u>	<u>4,506,867</u>	<u>4,092,062</u>	<u>78,788,067</u>	<u>56,209,736</u>
Change in Net Position						
Before Transfers	6,402,378	17,745,051	883,480	5,552,910	7,285,858	23,297,961
Transfers	5,331	39,669	(5,331)	(39,669)	0	0
Change in Net Position	<u>6,407,709</u>	<u>17,784,720</u>	<u>878,149</u>	<u>5,513,241</u>	<u>7,285,858</u>	<u>23,297,961</u>
Restatement	0	(88,155)	0	0	0	(88,155)
Net Position at Beginning of Year	<u>102,443,442</u>	<u>84,746,877</u>	<u>42,044,948</u>	<u>36,531,707</u>	<u>144,488,390</u>	<u>121,278,584</u>
Net Position at End of Year	<u>\$108,851,151</u>	<u>\$102,443,442</u>	<u>\$42,923,097</u>	<u>\$42,044,948</u>	<u>\$151,774,248</u>	<u>\$144,488,390</u>

Governmental Activities

The County's direct charges to users of governmental services are \$8,893,645 of total governmental revenues for 2022. 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. The major recipients of operating grants and contributions were the Public Assistance, Motor Vehicle Gas Tax, Board of Developmental Disabilities, and Children Services Funds. Operating grants and contributions increased \$6,336,960, which is mainly due to an increase in grants related to Motor Vehicle Gas Tax Fund and Local Fiscal Recovery Fund.

General revenues increased \$1,940,799. Revenue increased mainly due to increase in property taxes, grants and entitlements not restricted to specific programs, and miscellaneous revenues.

Legislative and Executive made up \$13,187,969 of total expenses and increased \$4,990,999 compared to 2021. Health accounted for \$11,350,727 of total expenses for governmental activities and increased \$2,666,459. Overall, expenses increased \$22,163,526 mainly due to an increase in OPEB expense, expenditure of Local Fiscal Recovery Fund monies, County Engineer projects, and increased economic

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

development expenditures relating to a \$1,500,000 payment to Southern Ohio Port Authority for the spec building project.

Business-Type Activity

The net position for business-type activity increased \$878,149 during 2022. The increase in 2022 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 \$79,560,817 and expenditures of \$84,992,776.

The General Fund balance decreased \$4,238,238 in 2022, which was mostly due to an increase in expenditures in 2022 when compared to 2021. Expenditures increased mainly due to increases in expenditures for legislative and executive, public safety sheriff, and economic development and assistance. Economic development and assistance increase was the result of a \$1,500,000 payment to the Southern Ohio Port Authority relating to the Spec building project.

The Public Assistance fund balance increased \$20,392, which was mostly due to a decrease in expenditures compared to 2021.

The Motor Vehicle Gas Tax fund balance increased \$129,161 mainly due to revenues and transfers in outpacing expenses and transfers out for the year.

The Board of Developmental Disabilities fund balance decreased \$496,767 in 2022. The fund balance decreased mainly due to a decrease in intergovernmental revenues due to a decrease in State funding while expenditures increased.

The Children Services Fund balance increased \$462,651, which is mainly due to transfers in from the Local Fiscal Recovery Fund.

The Local Fiscal Recovery Fund had no net change. There was no fund balance as all unspent monies at December 31, 2022, are recorded as unearned revenues.

The Sewer Funds net position increased \$878,149 mainly due to revenues continuing to outpace expenditures.

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
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 2022, 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 \$6,248,000 in primarily in sales taxes and transfers. 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 most expenditure categories with the largest in legislative and executive and sheriff. This decrease was mainly due to monitoring expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During 2022, the County had additions in nondepreciable and depreciable assets of \$3,824,578 and \$4,858,148, 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 \$2,264,771 and \$919,713, respectively, in the business-type activities. These were related to sewer construction projects, along with furniture, fixtures, and equipment additions that occurred during the year. See Note 10 of the notes to the basic financial statements for more detailed capital assets information.

Debt

At December 31, 2022, Scioto County had \$3,315,007 in long-term debt outstanding in governmental activities. This included \$3,073,166 of general obligation bonds and premium, \$144,104 in leases and \$97,737 in financed purchases payable.

The amount of long-term debt in the business-type activity was \$24,082,796 which consisted of \$3,735,476 in general obligation bonds, \$779,348 in Ohio Public Works Commission (OPWC) loans, and \$19,567,972 in the Ohio Water Development Authority (OWDA) and the United States Department of Agriculture (USDA) loans.

The County's total legal debt margin was \$29,160,218 with an unvoted debt margin of \$12,208,736 at December 31, 2022.

SCIOTO COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2022
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.

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SCIOTO COUNTY, OHIO
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activity	Total	
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$50,676,396	\$7,341,987	\$58,018,383	\$394,447
Cash and Cash Equivalents in Segregated Accounts	223,379	321,274	544,653	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	3,784
Restricted Cash and Cash Equivalents with Trustee	0	0	0	1,686,210
Restricted Cash and Cash Equivalents	0	0	0	532,102
Accrued Interest Receivable	20,368	0	20,368	0
Materials and Supplies Inventory	745,321	22,462	767,783	0
Accounts Receivable	73,140	2,352,743	2,425,883	4,454
Prepaid Items	644,491	75,256	719,747	0
Sales Tax Receivable	3,751,622	0	3,751,622	0
Property Taxes Receivable	15,904,543	0	15,904,543	0
Revenue in Lieu of Taxes Receivable	21,600	0	21,600	0
Due from Other Governments	12,260,961	296,959	12,557,920	65,837
Loans Receivable	129,850	0	129,850	0
Lease Receivable	0	0	0	6,246,914
Notes Receivable	370,984	0	370,984	0
Equity Interest in Joint Venture	463,336	0	463,336	0
Unamortized Bond Discount	0	0	0	72,676
Assets Held for Resale	0	0	0	1,766,770
Net Pension Asset	212,068	8,599	220,667	0
Net OPEB Asset	4,738,146	186,723	4,924,869	0
Capital Assets:				
Land and Construction in Progress	4,111,911	4,535,630	8,647,541	6,611,107
Depreciable Capital Assets, Net	81,349,971	53,771,286	135,121,257	3,766,729
Total Assets	175,698,087	68,912,919	244,611,006	21,151,030
<u>Deferred Outflows Of Resources:</u>				
Deferred Charge On Refunding	88,765	895,743	984,508	0
Pension	7,333,865	286,853	7,620,718	0
OPEB	427,729	16,418	444,147	0
Total Deferred Outflows of Resources	7,850,359	1,199,014	9,049,373	0
<u>Liabilities:</u>				
Accounts Payable	2,241,017	156,921	2,397,938	8,951
Contracts Payable	6,241,692	127,851	6,369,543	30,097
Accrued Wages Payable	406,273	0	406,273	0
Due to Other Governments	771,948	13,958	785,906	0
Payroll Withholdings	273,812	9,637	283,449	0
Accrued Interest Payable	9,653	273,774	283,427	0
Matured Compensated Absences Payable	67,205	0	67,205	0
Compensatory Time Payable	137,840	33,385	171,225	0
Retainage Payable	105,571	151,747	257,318	3,196
Accrued Liabilities	0	0	0	64,922
Due to Grantors	0	0	0	39,264
Unearned Revenue	9,094,891	0	9,094,891	135,320
Long-Term Liabilities:				
Due Within One Year	1,976,856	783,719	2,760,575	225,000
Due in More Than One Year:				
Net Pension Liability	14,628,369	546,990	15,175,359	0
Other Amounts	3,754,302	23,423,970	27,178,272	5,875,000
Total Liabilities	39,709,429	25,521,952	65,231,381	6,381,750
<u>Deferred Inflows Of Resources:</u>				
Deferred Charge on Refunding	0	808,257	808,257	0
Property Taxes	13,460,849	0	13,460,849	0
Revenue In Lieu Of Taxes	21,600	0	21,600	0
Leases	0	0	0	6,246,914
Pension	16,632,085	665,705	17,297,790	0
OPEB	4,873,332	192,922	5,066,254	0
Total Deferred Inflows Of Resources	34,987,866	1,666,884	36,654,750	6,246,914
<u>Net Position:</u>				
Net Investment in Capital Assets	78,761,344	34,125,930	112,887,274	5,970,174
Restricted for:				
Debt Service	61,319	0	61,319	0
Capital Projects	4,335,262	0	4,335,262	0
Public Safety	2,733,580	0	2,733,580	0
Human Services	6,701,781	0	6,701,781	0
Public Works	8,585,974	0	8,585,974	0
Health	10,292,625	0	10,292,625	0
Community and Economic Development	784,473	0	784,473	532,102
Transportation	553,047	0	553,047	0
Judicial	826,814	0	826,814	0
Legislative and Executive	2,489,047	0	2,489,047	0
Conservation and Recreation	121,853	0	121,853	0
Pension/OPEB Plans	497,676	18,416	516,092	0
Unrestricted (Deficit)	(7,893,644)	8,778,751	885,107	2,020,090
Total Net Position	\$108,851,151	\$42,923,097	\$151,774,248	\$8,522,366

See Accompanying Notes to the Basic Financial Statements

SCIOTO COUNTY, OHIO
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<u>Governmental Activities:</u>				
General Government:				
Legislative and Executive	\$13,187,969	\$2,365,815	\$260,000	\$0
Judicial	2,808,945	1,271,351	696,823	0
Public Safety:				
Sheriff	9,992,961	3,201,435	233,645	0
Other	763,886	417,954	1,157,005	0
Public Works	11,123,693	581,050	9,183,768	4,875,017
Health	11,350,727	142,570	3,282,026	0
Human Services	19,740,522	407,699	14,810,086	0
Conservation and Recreation	462,762	32,875	0	0
Economic Development and Assistance	3,843,877	164,169	5,941,098	0
Transportation	781,449	308,727	314,779	0
Interest	224,409	0	0	0
<i>Total Governmental Activities</i>	74,281,200	8,893,645	35,879,230	4,875,017
<u>Business-Type Activity:</u>				
Sewer	4,506,867	5,301,357	0	50,096
<i>Total Primary Government</i>	\$78,788,067	\$14,195,002	\$35,879,230	\$4,925,113
<i>Component Units</i>	\$1,484,433	\$397,654	\$2,438,524	\$1,727,321

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
 Miscellaneous
 Transfers

Total General Revenues

Change in Net Position

Net Position at Beginning of Year - Restated See Note 3

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
(\$10,562,154)	\$0	(\$10,562,154)	\$0
(840,771)	0	(840,771)	0
(6,557,881)	0	(6,557,881)	0
811,073	0	811,073	0
3,516,142	0	3,516,142	0
(7,926,131)	0	(7,926,131)	0
(4,522,737)	0	(4,522,737)	0
(429,887)	0	(429,887)	0
2,261,390	0	2,261,390	0
(157,943)	0	(157,943)	0
(224,409)	0	(224,409)	0
(24,633,308)	0	(24,633,308)	0
0	844,586	844,586	0
(24,633,308)	844,586	(23,788,722)	0
0	0	0	3,079,066
2,466,457	0	2,466,457	0
6,692,784	0	6,692,784	0
1,761,732	0	1,761,732	0
698,744	0	698,744	0
915,052	0	915,052	0
14,582,208	0	14,582,208	0
2,239	0	2,239	0
3,048,532	0	3,048,532	0
(649,922)	0	(649,922)	35,477
1,517,860	38,894	1,556,754	347
5,331	(5,331)	0	0
31,041,017	33,563	31,074,580	35,824
6,407,709	878,149	7,285,858	3,114,890
102,443,442	42,044,948	144,488,390	5,407,476
\$108,851,151	\$42,923,097	\$151,774,248	\$8,522,366

SCIOTO COUNTY, OHIO

Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$10,111,630	\$875,848	\$5,301,317	\$8,378,119
Cash and Cash Equivalents in Segregated Accounts	61,031	0	0	0
Receivables:				
Sales Tax	3,751,622	0	0	0
Property Taxes	3,120,905	0	0	7,801,977
Accounts	10,950	0	0	12,108
Accrued Interest	20,368	0	0	0
Interfund	93,737	226,591	0	0
Revenue in Lieu of Taxes	0	0	0	14,400
Due from Other Governments	1,385,144	918,841	2,982,261	1,286,155
Prepaid Items	374,231	92,951	29,345	76,028
Materials and Supplies Inventory	75,689	24,301	630,678	8,820
Notes Receivable	370,984	0	0	0
Loans Receivable	105,000	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	652,086	0	0	0
Total Assets	\$20,133,377	\$2,138,532	\$8,943,601	\$17,577,607
<u>Liabilities:</u>				
Accounts Payable	\$407,266	\$432,038	\$77,943	\$430,768
Contracts Payable	13,880	0	15,188	0
Accrued Wages Payable	103,950	109,672	28,842	125,808
Due to Other Governments	357,811	82,278	28,468	202,464
Payroll Withholdings	143,876	35,407	12,001	34,599
Interfund Payable	24,018	74,995	0	0
Retainage Payable	0	0	0	0
Matured Compensated Absences Payable	53,902	518	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	1,104,703	734,908	162,442	793,639
<u>Deferred Inflows of Resources:</u>				
Property Taxes not Levied to Finance Current Year Operations	2,613,146	0	0	6,625,563
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	0	0	0	14,400
Unavailable Revenue	2,628,019	0	2,042,106	2,064,976
Total Deferred Inflows of Resources	5,241,165	0	2,042,106	8,704,939
<u>Fund Balances:</u>				
Nonspendable	1,189,506	117,252	660,023	84,848
Restricted	0	1,286,372	6,079,030	7,994,181
Committed	0	0	0	0
Assigned	897,182	0	0	0
Unassigned (Deficit)	11,700,821	0	0	0
Total Fund Balances	13,787,509	1,403,624	6,739,053	8,079,029
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$20,133,377	\$2,138,532	\$8,943,601	\$17,577,607

See Accompanying Notes to the Basic Financial Statements

Children Services Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total
\$1,053,466	\$9,094,891	\$15,209,039	\$50,024,310
0	0	162,348	223,379
0	0	0	3,751,622
4,171,320	0	810,341	15,904,543
10,000	0	40,082	73,140
0	0	0	20,368
37,483	0	45,923	403,734
3,600	0	3,600	21,600
951,520	0	4,737,040	12,260,961
2,358	0	69,578	644,491
0	0	5,833	745,321
0	0	0	370,984
0	0	24,850	129,850
0	0	0	652,086
<u>\$6,229,747</u>	<u>\$9,094,891</u>	<u>\$21,108,634</u>	<u>\$85,226,389</u>
\$657,906	\$0	\$235,096	\$2,241,017
0	0	6,212,624	6,241,692
0	0	38,001	406,273
6,517	0	94,410	771,948
0	0	47,929	273,812
210,984	0	93,737	403,734
0	0	105,571	105,571
0	0	12,785	67,205
0	9,094,891	0	9,094,891
<u>875,407</u>	<u>9,094,891</u>	<u>6,840,153</u>	<u>19,606,143</u>
3,528,912	0	693,228	13,460,849
3,600	0	3,600	21,600
1,241,464	0	2,035,173	10,011,738
<u>4,773,976</u>	<u>0</u>	<u>2,732,001</u>	<u>23,494,187</u>
2,358	0	75,411	2,129,398
578,006	0	11,949,626	27,887,215
0	0	462,308	462,308
0	0	3,137	900,319
0	0	(954,002)	10,746,819
<u>580,364</u>	<u>0</u>	<u>11,536,480</u>	<u>42,126,059</u>
<u>\$6,229,747</u>	<u>\$9,094,891</u>	<u>\$21,108,634</u>	<u>\$85,226,389</u>

SCIOTO COUNTY, OHIO
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2022

Total Governmental Fund Balances		\$42,126,059
 <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.		85,461,882
The County has an equity interest in joint venture assets, which is part of the County's overall governmental activities.		463,336
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	1,295,338	
Delinquent property taxes	2,443,694	
Accounts	28,791	
Intergovernmental	6,236,052	
Interest	7,863	
Total		10,011,738
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.		88,765
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.		(9,653)
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	212,068	
Net OPEB Asset	4,738,146	
Deferred Outflows - Pension	7,333,865	
Deferred Outflows - OPEB	427,729	
Net Pension Liability	(14,628,369)	
Deferred Inflows - Pension	(16,632,085)	
Deferred Inflows - OPEB	(4,873,332)	
Total		(23,421,978)
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	(3,073,166)	
Leases payable	(144,104)	
Financed purchase payable	(97,737)	
Compensated absences	(2,416,151)	
Accrued compensatory time payable	(137,840)	
Total liabilities		(5,868,998)
Net Position of Governmental Activities		\$108,851,151

See Accompanying Notes to the Basic Financial Statements

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SCIOTO COUNTY, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund
<u>Revenues:</u>				
Property Taxes	\$2,463,378	\$0	\$0	\$6,847,978
Other Local Taxes	915,052	0	0	0
Sales Tax	14,582,209	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Charges for Services	3,137,553	177,396	574,708	0
Licenses and Permits	4,942	0	0	0
Fines, Forfeitures, and Settlements	224,811	0	6,342	0
Intergovernmental	3,356,615	9,126,096	9,207,974	3,514,204
Investment Earnings/Interest	(683,066)	0	11,325	311
Rent	30,689	0	0	30,913
Contributions and Donations	0	0	0	16,282
Miscellaneous	401,014	80,386	10,727	618,462
<i>Total Revenues</i>	<u>24,433,197</u>	<u>9,383,878</u>	<u>9,811,076</u>	<u>11,028,150</u>
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	12,394,171	0	0	0
Judicial	2,989,576	0	0	0
Public Safety:				
Sheriff	6,514,519	0	0	0
Other	1,692,940	0	0	0
Public Works	0	0	8,444,156	0
Health	312,472	0	0	11,494,143
Human Services	476,485	9,497,252	0	0
Conservation and Recreation	446,866	0	0	0
Economic Development and Assistance	1,759,172	0	0	0
Transportation	0	0	0	0
Capital Outlay	13,880	0	15,188	0
Debt Service:				
Principal Retirement	13,411	1,588	0	20,056
Interest	1,229	20,174	0	61,950
<i>Total Expenditures</i>	<u>26,614,721</u>	<u>9,519,014</u>	<u>8,459,344</u>	<u>11,576,149</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,181,524)</u>	<u>(135,136)</u>	<u>1,351,732</u>	<u>(547,999)</u>
<u>Other Financing Sources (Uses):</u>				
Inception of Lease	0	20,004	0	51,232
Transfers In	91,998	172,038	785,748	0
Transfers Out	(2,148,712)	(36,514)	(2,008,319)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,056,714)</u>	<u>155,528</u>	<u>(1,222,571)</u>	<u>51,232</u>
<i>Net Change in Fund Balances</i>	<u>(4,238,238)</u>	<u>20,392</u>	<u>129,161</u>	<u>(496,767)</u>
<i>Fund Balances at Beginning of Year</i>	<u>18,025,747</u>	<u>1,383,232</u>	<u>6,609,892</u>	<u>8,575,796</u>
<i>Fund Balances at End of Year</i>	<u>\$13,787,509</u>	<u>\$1,403,624</u>	<u>\$6,739,053</u>	<u>\$8,079,029</u>

See Accompanying Notes to the Basic Financial Statements

Children Services Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total
\$1,341,832	\$0	\$714,226	\$11,367,414
0	0	0	915,052
0	0	0	14,582,209
439	0	1,800	2,239
0	0	4,346,932	8,236,589
0	0	67,346	72,288
0	0	265,851	497,004
4,986,618	5,153,122	7,527,712	42,872,341
0	20,744	60	(650,626)
0	0	0	61,602
14,803	0	2,070	33,155
9,276	0	451,685	1,571,550
<u>6,352,968</u>	<u>5,173,866</u>	<u>13,377,682</u>	<u>79,560,817</u>
0	0	1,637,712	14,031,883
0	0	477,695	3,467,271
0	54,000	3,072,532	9,641,051
0	33,000	1,409,447	3,135,387
0	0	2,845,557	11,289,713
0	0	516,529	12,323,144
8,950,317	0	1,896,128	20,820,182
0	0	0	446,866
0	1,405,365	739,214	3,903,751
0	0	837,149	837,149
0	181,501	4,072,916	4,283,485
0	0	553,604	588,659
0	0	140,882	224,235
<u>8,950,317</u>	<u>1,673,866</u>	<u>18,199,365</u>	<u>84,992,776</u>
<u>(2,597,349)</u>	<u>3,500,000</u>	<u>(4,821,683)</u>	<u>(5,431,959)</u>
0	0	0	71,236
3,060,000	0	4,155,999	8,265,783
0	(3,500,000)	(566,907)	(8,260,452)
<u>3,060,000</u>	<u>(3,500,000)</u>	<u>3,589,092</u>	<u>76,567</u>
462,651	0	(1,232,591)	(5,355,392)
117,713	0	12,769,071	47,481,451
<u>\$580,364</u>	<u>\$0</u>	<u>\$11,536,480</u>	<u>\$42,126,059</u>

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, 2022

Net Change in Fund Balances - Total Governmental Funds (\$5,355,392)

*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	3,128,185	
Construction in progress additions	3,779,578	
Depreciation expense	<u>(4,618,797)</u>	
Excess of capital outlay over depreciation expense		2,288,966

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. (73,221)

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	252,303	
Sales tax	(1)	
Investment Earnings	704	
Charges for services	27,634	
Rentals	(1,472)	
Intergovernmental	897,283	
Miscellaneous	<u>(53,690)</u>	
Total revenues		1,122,761

The increase in the County's equity interest of its joint venture is not reported in the governmental fund statements but is included in program revenues in the Statement of Activities. 20,480

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. (71,236)

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

Pension	3,386,073	
OPEB	<u>8,794</u>	
Total		3,394,867

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	949,600	
OPEB	<u>3,597,396</u>	
Total		4,546,996

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	495,000	
Financed purchase payments	12,431	
Lease payments	<u>81,228</u>	
Total long-term debt repayments		\$588,659

(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, 2022
 (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	(\$74,589)	
	Increase in accrued compensatory time payable	1,015	
	Decrease in workers' compensation claims payable	18,577	
Total		(54,997)	(54,997)

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	9,321	
	Amortization of Deferred Charge on Refunding	(14,569)	
	Amortization of premium on general obligation bonds	5,074	
Total		(174)	(174)

Change in Net Position of Governmental Activities	\$6,407,709	
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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, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,980,000	\$1,980,000	\$2,300,203	\$320,203
Other Local Taxes	504,500	804,500	915,052	110,552
Sales Tax	11,500,000	12,500,000	14,551,452	2,051,452
Charges for Services	1,367,700	1,942,700	2,490,180	547,480
Licenses and Permits	4,000	4,000	4,942	942
Fines, Forfeitures, and Settlements	201,000	201,000	199,458	(1,542)
Intergovernmental	2,411,250	2,801,250	3,302,892	501,642
Investment Earnings/Interest	135,000	135,000	118,253	(16,747)
Rent	0	0	71,800	71,800
Miscellaneous	13,900	133,900	114,631	(19,269)
Total Revenues	18,117,350	20,502,350	24,068,863	3,566,513
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	8,298,864	15,055,522	13,032,482	2,023,040
Judicial	2,482,775	2,741,230	2,565,711	175,519
Public Safety:				
Sheriff	4,626,392	6,647,412	6,442,176	205,236
Other	1,445,477	1,764,277	1,723,817	40,460
Health	381,922	414,339	413,135	1,204
Human Services	516,140	609,326	601,588	7,738
Conservation and Recreation	228,800	420,372	411,472	8,900
Economic Development and Assistance	200,070	1,931,670	1,785,651	146,019
Debt Service:				
Principal Retirement	13,411	13,411	13,411	0
Interest	1,229	1,229	1,229	0
Total Expenditures	18,195,080	29,598,788	26,990,672	2,608,116
Excess of Revenues Under Expenditures	(77,730)	(9,096,438)	(2,921,809)	6,174,629
<u>Other Financing Sources (Uses):</u>				
Advances Out	0	(40,329)	(40,329)	0
Transfers In	0	3,863,000	3,875,520	12,520
Transfers Out	(816,721)	(2,241,047)	(2,236,273)	4,774
Total Other Financing Sources (Uses)	(816,721)	1,581,624	1,598,918	17,294
Net Change in Fund Balance	(894,451)	(7,514,814)	(1,322,891)	6,191,923
Fund Balance at Beginning of Year	7,702,462	7,702,462	7,702,462	0
Prior Year Encumbrances Appropriated	875,318	875,318	875,318	0
Fund Balance at End of Year	\$7,683,329	\$1,062,966	\$7,254,889	\$6,191,923

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Charges for Services	\$150,000	\$150,000	\$173,160	\$23,160
Intergovernmental	9,750,000	9,025,201	8,851,322	(173,879)
Miscellaneous	100,000	100,000	78,692	(21,308)
<i>Total Revenues</i>	10,000,000	9,275,201	9,103,174	(172,027)
<u>Expenditures:</u>				
Current:				
Human Services	11,396,473	10,467,340	10,308,992	158,348
Debt Service:				
Principal Retirement	1,588	1,588	1,588	0
Interest and Fiscal Charges	170	170	170	0
<i>Total Expenditures</i>	11,398,231	10,469,098	10,310,750	158,348
Excess of Revenues Under Expenditures	(1,398,231)	(1,193,897)	(1,207,576)	(13,679)
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	172,038	172,038
Transfers Out	(110,000)	(36,514)	(36,514)	0
<i>Total Other Financing Sources (Uses)</i>	(110,000)	(36,514)	135,524	172,038
<i>Net Change in Fund Balance</i>	(1,508,231)	(1,230,411)	(1,072,052)	158,359
<i>Fund Balance at Beginning of Year</i>	688,264	688,264	688,264	0
<i>Prior Year Encumbrances Appropriated</i>	571,081	571,081	571,081	0
<i>Fund Balance (Deficit) at End of Year</i>	(\$248,886)	\$28,934	\$187,293	\$158,359

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, 2022

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Charges for Services	\$0	\$0	\$571,734	\$571,734
Fines, Forfeitures, and Settlements	5,000	5,000	6,357	1,357
Intergovernmental	5,490,000	5,490,000	5,895,513	405,513
Investment Earnings/Interest	5,000	5,000	9,632	4,632
Miscellaneous	0	0	44,861	44,861
<i>Total Revenues</i>	5,500,000	5,500,000	6,528,097	1,028,097
<u>Expenditures:</u>				
Current:				
Public Works	5,549,735	5,367,402	5,009,620	357,782
Excess of Revenues Over (Under) Expenditures	(49,735)	132,598	1,518,477	1,385,879
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	810,248	810,248
Transfers Out	(577,066)	(2,032,819)	(2,032,819)	0
<i>Total Other Financing Sources (Uses)</i>	(577,066)	(2,032,819)	(1,222,571)	810,248
<i>Net Change in Fund Balance</i>	(626,801)	(1,900,221)	295,906	2,196,127
<i>Fund Balance at Beginning of Year</i>	4,502,076	4,502,076	4,502,076	0
<i>Prior Year Encumbrances Appropriated</i>	120,971	120,971	120,971	0
<i>Fund Balance at End of Year</i>	\$3,996,246	\$2,722,826	\$4,918,953	\$2,196,127

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Property Taxes	\$5,963,000	\$5,963,000	\$6,577,552	\$614,552
Charges for Services	180,000	130,000	0	(130,000)
Intergovernmental	3,190,500	3,190,500	3,519,200	328,700
Rent	0	50,000	26,577	(23,423)
Contributions and Donations	16,792	16,792	15,550	(1,242)
Miscellaneous	165,000	165,000	435,703	270,703
<i>Total Revenues</i>	<u>9,515,292</u>	<u>9,515,292</u>	<u>10,574,582</u>	<u>1,059,290</u>
<u>Expenditures:</u>				
Current:				
Health	11,376,806	12,311,642	11,168,303	1,143,339
Debt Service:				
Principal Retirement	20,056	20,056	20,056	0
Interest and Fiscal Charges	10,718	10,718	10,718	0
<i>Total Expenditures</i>	<u>11,407,580</u>	<u>12,342,416</u>	<u>11,199,077</u>	<u>1,143,339</u>
Excess of Revenues Under Expenditures	(1,892,288)	(2,827,124)	(624,495)	2,202,629
<u>Other Financing Uses:</u>				
Transfers Out	(250,000)	0	0	0
<i>Net Change in Fund Balance</i>	(2,142,288)	(2,827,124)	(624,495)	2,202,629
<i>Fund Balance at Beginning of Year</i>	7,942,927	7,942,927	7,942,927	0
<i>Prior Year Encumbrances Appropriated</i>	<u>140,345</u>	<u>140,345</u>	<u>140,345</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$5,940,984</u></u>	<u><u>\$5,256,148</u></u>	<u><u>\$7,458,777</u></u>	<u><u>\$2,202,629</u></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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues:</u>				
Property Taxes	\$1,060,000	\$1,060,000	\$1,123,635	\$63,635
Revenue in Lieu of Taxes	249	249	439	190
Intergovernmental	4,978,104	5,305,090	5,335,756	30,666
Contributions and Donations	9,500	9,500	7,890	(1,610)
Miscellaneous	5,000	5,000	9,276	4,276
<i>Total Revenues</i>	6,052,853	6,379,839	6,476,996	97,157
<u>Expenditures:</u>				
Current:				
Human Services	6,793,557	9,839,512	9,398,552	440,960
Excess of Revenues Over (Under) Expenditures	(740,704)	(3,459,673)	(2,921,556)	538,117
<u>Other Financing Sources:</u>				
Transfers In	0	2,899,026	3,060,000	160,974
<i>Net Change in Fund Balance</i>	(740,704)	(560,647)	138,444	699,091
<i>Fund Balance (Deficit) at Beginning of Year</i>	(5,993)	(5,993)	(5,993)	0
<i>Prior Year Encumbrances Appropriated</i>	600,704	600,704	600,704	0
<i>Fund Balance (Deficit) at End of Year</i>	(\$145,993)	\$34,064	\$733,155	\$699,091

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, 2022

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$7,314,431	\$7,314,431	\$0
Investment Earnings/Interest	0	13,073	17,469	4,396
Total Revenues	0	7,327,504	7,331,900	4,396
<u>Expenditures:</u>				
Current:				
General Government				
Legislative and Executive	0	3,234,429	0	3,234,429
Public Safety				
Sheriff	0	54,000	54,000	0
Other	0	33,000	33,000	0
Economic Development and Assistance	0	1,405,365	1,405,365	0
Capital Outlay	0	181,501	181,501	0
Total Expenditures	0	4,908,295	1,673,866	3,234,429
Excess of Revenues Over Expenditures	0	2,419,209	5,658,034	3,238,825
<u>Other Financing Uses:</u>				
Transfers Out	0	(3,500,000)	(3,500,000)	0
Net Change in Fund Balance	0	(1,080,791)	2,158,034	3,238,825
Fund Balance at Beginning of Year	6,424,251	6,424,251	6,424,251	0
Prior Year Encumbrances Appropriated	508,320	508,320	508,320	0
Fund Balance at End of Year	\$6,932,571	\$5,851,780	\$9,090,605	\$3,238,825

See Accompanying Notes to the Basic Financial Statements

SCIOTO COUNTY, OHIO
Statement of Fund Net Position
Enterprise Fund
December 31, 2022

	<i>Sewer Fund</i>
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$7,341,987
Cash and Cash Equivalents in Segregated Accounts	321,274
Materials and Supplies Inventory	22,462
Accounts Receivable	2,352,743
Due from Other Governments	296,959
Prepaid Items	75,256
<i>Total Current Assets</i>	<i>10,410,681</i>
<u>Non Current Assets:</u>	
Net Pension Asset	8,599
Net OPEB Asset	186,723
Capital Assets:	
Nondepreciable Capital Assets	4,535,630
Depreciable Capital Assets, Net	53,771,286
<i>Total Non Current Assets</i>	<i>58,502,238</i>
<i>Total Assets</i>	<i>68,912,919</i>
<u>Deferred Outflows of Resources:</u>	
Deferred Charge on Refunding	895,743
Pension	286,853
OPEB	16,418
<i>Total Deferred Outflows of Resources</i>	<i>1,199,014</i>
<u>Current Liabilities:</u>	
Accounts Payable	156,921
Contracts Payable	127,851
Retainage Payable	151,747
Due to Other Governments	13,958
Payroll Withholdings	9,637
Accrued Interest Payable	273,774
Compensatory Time Payable	33,385
General Obligation Bonds Payable	160,000
Loans Payable	299,170
Ohio Public Works Commission Loans Payable	75,284
Ohio Water Development Authority Loans Payable	180,155
Compensated Absences Payable	69,110
<i>Total Current Liabilities</i>	<i>1,550,992</i>
<u>Long-Term Liabilities (Net of Current Portion):</u>	
General Obligation Bonds Payable	3,575,476
Loans Payable	16,573,085
Ohio Public Works Commission Loans Payable	704,064
Ohio Water Development Authority Loans Payable	2,515,562
Compensated Absences Payable	55,783
Net Pension Liability	546,990
<i>Total Long-Term Liabilities</i>	<i>23,970,960</i>
<i>Total Liabilities</i>	<i>25,521,952</i>
<u>Deferred Inflows of Resources:</u>	
Deferred Charge on Refunding	808,257
Pension	665,705
OPEB	192,922
<i>Total Deferred Inflows of Resources</i>	<i>1,666,884</i>
<u>Net Position:</u>	
Net Investment in Capital Assets	34,125,930
Pension/OPEB Plans	18,416
Unrestricted	8,778,751
<i>Total Net Position</i>	<i>\$42,923,097</i>

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, 2022

	<i>Sewer Fund</i>
<u>Operating Revenues:</u>	
Charges for Services	\$5,301,357
<u>Operating Expenses:</u>	
Personal Services	894,104
Fringe Benefits	266,165
Contractual Services	1,292,479
Materials and Supplies	378,419
Depreciation	1,180,024
Other	15,776
<i>Total Operating Expenses</i>	4,026,967
Operating Income	1,274,390
<u>Non-Operating Revenues (Expenses):</u>	
Capital Grants and Contributions	50,096
Other Non-Operating Revenues	38,894
Interest	(479,900)
<i>Total Non-Operating Revenues (Expenses)</i>	(390,910)
Income Before Transfers	883,480
Transfers In	9,669
Transfers Out	(15,000)
<i>Change in Net Position</i>	878,149
<i>Net Position at Beginning of Year</i>	42,044,948
<i>Net Position at End of Year</i>	\$42,923,097

See Accompanying Notes to the Basic Financial Statements

SCIOTO COUNTY, OHIO
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2022

	<i>Sewer Fund</i>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Charges for Services	\$5,162,528
Cash Payments to Suppliers for Goods and Services	(2,164,794)
Cash Payments to Employees	(1,459,426)
Other Nonoperating Revenues	38,894
Cash Payments for Other Operating Expenses	(15,391)
	1,561,811
<i>Net Cash Provided by Operating Activities</i>	1,561,811
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Proceeds of Loans	2,552,020
Acquisition of Capital Assets	(2,988,384)
Principal Paid on Bonds and Loans	(1,016,277)
Interest Paid on Bonds and Loans	(487,573)
Issuance Costs on Loan	(10,210)
	(1,950,424)
<i>Net Cash Used for Capital and Related Financing Activities</i>	(1,950,424)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers In	9,669
Transfers Out	(15,000)
	(5,331)
<i>Net Cash Used for Non-Capital Financing Activities</i>	(5,331)
<i>Net Increase in Cash and Cash Equivalents</i>	(393,944)
<i>Cash and Cash Equivalents at Beginning of Year</i>	8,057,205
<i>Cash and Cash Equivalents at End of Year</i>	\$7,663,261
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>	
Operating Income	\$1,274,390
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	1,180,024
Other Non-Operating Revenues	38,894
Decrease (Increase) in Assets:	
Materials and Supplies Inventory	823
Accounts Receivable	(147,341)
Due From Other Governments	8,512
Prepaid Items	12,016
Net Pension Asset	(981)
Net OPEB Asset	2,706
Deferred Outflows of Resources - Pension	235,686
Deferred Outflows of Resources - OPEB	93,427
Increase (Decrease) in Liabilities:	
Accounts Payable	40,317
Due to Other Governments	(39,765)
Payroll Withholdings	(243)
Compensatory Time Payable	952
Compensated Absences Payable	2,273
Contracts Payable	(589,523)
Retainage Payable	80,305
Net Pension Liability	(31,425)
Deferred Inflows of Resources - Pension	(366,478)
Deferred Inflows of Resources - OPEB	(232,758)
	287,421
<i>Total Adjustments</i>	287,421
<i>Net Cash Provided by Operating Activities</i>	\$1,561,811

SCIOTO COUNTY, OHIO
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

Assets:

Equity in Pooled Cash and Cash Equivalents	\$7,713,148
Cash and Cash Equivalents in Segregated Accounts	559,627
Receivables:	
Property Taxes	64,994,390
Accounts	419,937
Revenue in Lieu of Taxes	158,400
Due from Other Governments	<u>3,648,887</u>
<i>Total Assets</i>	<u><u>\$77,494,389</u></u>

Liabilities:

Accounts Payable	\$391,936
Due to Other Governments	5,369,399
Payroll Withholdings	<u>98,843</u>
<i>Total Liabilities</i>	<u>5,860,178</u>

Deferred Inflows of Resources:

Property Taxes not Levied to Finance Current Year Operations	53,869,784
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	<u>158,400</u>
<i>Total Deferred Inflows of Resources</i>	<u>54,028,184</u>

Net Position:

Restricted for Individuals, Organizations and Other Governments	<u><u>\$17,606,027</u></u>
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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, 2022

Additions:

Intergovernmental	\$7,755,261
Amounts Received as Fiscal Agent	20,384,262
Licenses and Permits and Fees for Other Governments	331,859
Fines and Forfeitures for Other Governments	10,358,753
Property Tax Collections for Other Governments	46,511,365
Special Assessment Collections for Other Governments	231,274
Sheriff Sale Collections for Other Governments	661,221
Payment in Lieu of Taxes Collections for Other Governments	220,714
Miscellaneous	142,097
	86,596,806
Total Additions	86,596,806

Deductions:

Distributions as Fiscal Agent	20,265,158
Distributions of State Funds to Other Governments	7,215,302
Distributions to the State of Ohio	9,984,394
Licenses and Permits and Fees Distributions to Other Governments	95,347
Property Tax Distributions to Other Governments	46,232,758
Special Assessment Distributions to Other Governments	228,740
Distributions to Other Governments	538,551
Distributions to Individuals	1,729,871
Payment in Lieu of Taxes Distributions for Other Governments	220,715
Miscellaneous	142,097
	86,652,933
Total Deductions	86,652,933

Change in Fiduciary Net Position (56,127)

Net Position Beginning of Year 17,662,154

Net Position End of Year \$17,606,027

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 37 Glen Court, Minford, Ohio 45653.

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 seven 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 25 relates to the primary government. Information related to the discretely presented component units is presented in Note 26 and 27.

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

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

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; 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, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes 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 2022, the County invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

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 2022 amounted to (\$683,066), of which (\$578,843) 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, 2022, 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 (except for intangible right-to-use lease assets which are discussed below) 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 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:

<u>Descriptions</u>	<u>Estimated Lives</u>
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 are 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, these intangible 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 2023 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 after considering the related deferred outflows and deferred inflows.

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 OPIOD SETTLEMENT MONIES

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the County received the first of eighteen distributions in 2022. This distribution of \$865 is 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 on a straight-line basis over its useful life. 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 AND RESTATEMENT OF NET POSITION

CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, Leases. The County also implemented GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 92, Omnibus 2020, GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and Implementation Guide No. 2020-1.

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the County’s 2022 financial statements. The County recognized \$154,096 in leases payable at January 1, 2022 which was offset by the intangible asset, right to use lease – equipment and vehicles. These changes did not impact beginning fund balance/net position. In prior years, the City reported a direct financing lease, under GASB 87 this agreement will be reported as a financed purchase. This change generated a restatement to beginning fund balance related to the timing of the recognition of the proceeds from the sale of the asset. Beginning net position also changed related to reporting of the related asset. The County also had some prior year leases that did not qualify per GASB Statement 87 and a re-measurement of other leases.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the County’s financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 91, GASB 97, and Implementation Guide No. 2020-1 were incorporated in the County’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

RESTATEMENT OF NET POSITION

The implementation of GASB Statement No. 87 had the following effect on net position as of December 31, 2021:

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Governmental Activities
Net Position, December 31, 2021	\$102,531,597
Adjustments:	
Capital Assets	(92,672)
Leases Payable	4,517
Restated Net Position, December 31, 2021	\$102,443,442

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.
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:

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Net Change in Fund Balance					
	General	Public Assistance	Motor Vehicle Gas Tax	Board of Developmental Disabilities	Children Services	Local Fiscal Recovery
GAAP Basis	(\$4,238,238)	\$20,392	\$129,161	(\$496,767)	\$462,651	\$0
Increases (Decreases) Due to:						
Revenue Accruals	41,628	(292,676)	454,515	(122,344)	323,237	2,161,309
Expenditure Accruals	(356,116)	(138,588)	(269,201)	267,803	(432,528)	0
Encumbrances	(762,012)	(653,148)	(128,859)	0	(15,707)	0
Unrecorded Cash - 2022	(27,815)	0	(2,363)	0	(10,655)	(4,286)
Unrecorded Cash - 2021	15,852	27,375	670	0	13,607	1,011
Custodial Fund Cash						
Allocation - 2022	(479,749)	(35,407)	(12,001)	(563,854)	(293,949)	0
Custodial Fund Cash						
Allocation - 2021	287,772	0	12,037	290,057	91,788	0
Segregated Accounts						
From Cash Off Books - 2022	(61,031)	0	0	0	0	0
Segregated Accounts						
From Cash Off Books - 2021	67,181	0	0	0	0	0
Decrease in Fair Value of Investments - 2022	821,206	0	0	0	0	0
Decrease in Fair Value of Investments - 2021	(5,567)	0	0	0	0	0
Transfers	3,695,961	0	0	0	0	0
Advances	(40,329)	0	0	0	0	0
Perspective Differences	(281,634)	0	111,947	610	0	0
Budget Basis	<u>(\$1,322,891)</u>	<u>(\$1,072,052)</u>	<u>\$295,906</u>	<u>(\$624,495)</u>	<u>\$138,444</u>	<u>\$2,158,034</u>

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;

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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,
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.

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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, 2022, 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	\$2,508,946	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	<u>12,150,415</u>	Less than five years	N/A	82.89%
Total	<u><u>\$14,659,361</u></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, 2022. 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.

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

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 2022 for real and public utility property taxes represents collections of 2021 taxes.

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

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

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

The full tax rate for all County operations for the year ended December 31, 2022, was \$10.93 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Residential/Agricultural	\$860,623,120
Commercial/Industrial/Public Utility	169,510,530
Public Utility Real	13,888,530
Public Utility Personal	186,729,310
Total Assessed Value	\$1,230,751,490

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, 2022, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 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. As of December 31, 2022, the County provides tax abatements through one program: Enterprise Zone Tax Exemptions.

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.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2022.

Tax Abatement Program	Amount of 2022 Taxes Abated
<i>Enterprise Zone Tax Exemptions</i>	
- Manufacturing	\$2,123

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

Overlapping Government	Amount of 2022 Taxes Abated
<i>Community Reinvestment Areas:</i>	
Village of New Boston	\$11,076

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 2022.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2022, 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 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.

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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; therefore, three payments will be made in 2023.

The County maintains a revolving loan program for local businesses to encourage business development in the County. The loans receivable balance at December 31, 2022, was \$24,850 of which \$5,000 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, 2022, was \$105,000, of which \$17,500 is considered to be due within one year.

The County made a non-interest bearing loan to Valley Township for the Walnut Hill Road project. The loan was repaid over three years and the last payment of \$34,134 was received in 2022.

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, 2022, the County reported a receivable of \$370,984. During 2022, the City paid the County \$41,800 in association with the agreement, \$40,647 principal and \$1,153 in interest. A schedule of the future payments are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$40,761	\$1,039	\$41,800
2024	40,875	925	41,800
2025	40,989	811	41,800
2026	41,104	696	41,800
2027	41,219	581	41,800
2028-2031	<u>166,036</u>	<u>1,164</u>	<u>167,200</u>
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, 2022

	<u>Amount</u>
<u>Governmental Activities Intergovernmental Receivables</u>	
Board of Developmental Disabilities Grants - Title XX	\$9,961
Board of Developmental Disabilities State Foundations	788,195
Bureau of Worker's Compensation	4,160
Casino Revenues	512,284
City and Township Subdivision Share Matching Funds	730,420
Community Development Block Grant	22,760
Child Support Grants / Reimbursements	54,934
Children Services Grants / Reimbursements	895,046
Public Assistance Grants / Reimbursements	915,421
Felony Delinquent Care and Custody Grant	235,745
Gas Tax	1,810,057
High Intensity Drug Trafficking Areas Program	8,570
Common Pleas PSI Unit Grant	43,102
Homestead / Rollback	515,596
Indigent Defense	288,118
Local Government	374,126
MVL Tax	1,171,914
Ohio Department of Public Safety	8,810
Ohio Department of Development Grant	445,631
Ohio Public Works Commission	1,424,688
Ohio Department of Transportation Grant	1,184,491
Medical Admin Claiming (MAC)	81,181
State Rural Transit Grants	192,202
State Victims Assistance and Victims of Crime Act Grants	86,951
Intensive Supervision Probation Grant	117,424
Probation Improvement Grant	37,454
Charges for Services to Other Governments	301,720
Total Governmental Activities	<u>\$12,260,961</u>

NOTE 10 - CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended December 31, 2022, was as follows:

	Restated Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$1,969,256	\$45,000	\$0	\$2,014,256
Construction in Progress	93,040	3,779,578	(1,774,963)	2,097,655
Total Capital Assets, Not Being Depreciated	\$2,062,296	\$3,824,578	(\$1,774,963)	\$4,111,911

(continued)

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Restated Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
<u>Governmental Activities</u>				
Depreciable Capital Assets:				
Land Improvements	\$5,020,844	\$330,599	\$0	\$5,351,443
Buildings and Building Improvements	33,527,450	219,378	(21,500)	33,725,328
Furniture, Fixtures, and Equipment	10,491,982	1,107,420	(171,487)	11,427,915
Intangible Right to Use-Furniture, Fixtures, and Equipment**	67,211	51,232	(31,111)	87,332
Vehicles	4,966,932	345,176	(477,879)	4,834,229
Intangible Right to Use-Vehicles**	117,997	20,004	0	138,001
Infrastructure	97,378,375	2,784,339	0	100,162,714
Total Depreciable Capital Assets	<u>151,570,791</u>	<u>4,858,148</u>	<u>(701,977)</u>	<u>155,726,962</u>
Total Capital Assets At Historical Cost	<u>153,633,087</u>	<u>8,682,726</u>	<u>(2,476,940)</u>	<u>159,838,873</u>
Less Accumulated Depreciation:				
Land Improvements	(1,677,787)	(255,221)	0	(1,933,008)
Buildings and Building Improvements	(14,938,747)	(711,992)	13,796	(15,636,943)
Furniture, Fixtures, and Equipment	(5,948,209)	(687,583)	153,011	(6,482,781)
Intangible Right to Use-Furniture, Fixtures, and Equipment**	(27,359)	(26,156)	30,341	(23,174)
Vehicles	(3,199,754)	(375,795)	431,608	(3,143,941)
Intangible Right to Use-Vehicles**	0	(40,721)	0	(40,721)
Infrastructure	(44,595,094)	(2,521,329)	0	(47,116,423)
Total Accumulated Depreciation	<u>(70,386,950)</u>	<u>(4,618,797)*</u>	<u>628,756</u>	<u>(74,376,991)</u>
Depreciable Capital Assets, Net	<u>81,183,841</u>	<u>239,351</u>	<u>(73,221)</u>	<u>81,349,971</u>
Governmental Activities Capital Assets, Net	<u>\$83,246,137</u>	<u>\$4,063,929</u>	<u>(\$1,848,184)</u>	<u>\$85,461,882</u>

*Depreciation expense was charged to governmental programs as follows:

General Government:	
Legislative and Executive	\$435,528
Judicial	173,142
Public Safety:	
Sheriff	604,028
Other	50,312
Public Works	2,862,501
Health	230,985
Human Services	87,858
Conservation and Recreation	87,217
Community and Economic Development	2,705
Transportation	84,521
Total Depreciation Expense	<u>\$4,618,797</u>

The County's capital assets reported above for Governmental Activities include \$9,143,992 in fully depreciated capital assets.

**Of the current year depreciation total of \$4,618,797, \$5,207 as legislative and executive, \$8,655 as judicial, \$9,077 as health, \$1,762 as human services, and \$1,455 as community and economic development expenses are presented on the Statement of Activities related to the County's intangible asset of furniture, fixtures, and equipment. Also, \$39,332 as judicial and \$1,389 as human services expenses are presented on the Statement of Activities related to the County's intangible asset of vehicles.

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Capital assets activity of the business-type activities for the year ended December 31, 2022, was as follows:

	Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
<u>Business-Type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$537,175	\$0	\$0	\$537,175
Construction in Progress	1,929,784	2,264,771	(196,100)	3,998,455
Total Capital Assets, Not Being Depreciated	<u>2,466,959</u>	<u>2,264,771</u>	<u>(196,100)</u>	<u>4,535,630</u>
Depreciable Capital Assets:				
Land Improvements	29,354	18,500	0	47,854
Buildings and Building Improvements	7,142,878	0	0	7,142,878
Furniture, Fixtures, and Equipment	1,762,349	572,323	0	2,334,672
Vehicles	488,984	0	0	488,984
Infrastructure	59,759,130	328,890	0	60,088,020
Total Depreciable Capital Assets	<u>69,182,695</u>	<u>919,713</u>	<u>0</u>	<u>70,102,408</u>
Less Accumulated Depreciation:				
Land Improvements	(9,570)	(1,583)	0	(11,153)
Buildings and Building Improvements	(4,166,003)	(143,452)	0	(4,309,455)
Furniture, Fixtures, and Equipment	(990,293)	(81,207)	0	(1,071,500)
Vehicles	(271,604)	(33,017)	0	(304,621)
Infrastructure	(9,713,628)	(920,765)	0	(10,634,393)
Total Accumulated Depreciation	<u>(15,151,098)</u>	<u>(1,180,024)</u>	<u>0</u>	<u>(16,331,122)</u>
Depreciable Capital Assets, Net	<u>54,031,597</u>	<u>(260,311)</u>	<u>0</u>	<u>53,771,286</u>
Business-Type Activities Capital Assets, Net	<u>\$56,498,556</u>	<u>\$2,004,460</u>	<u>(\$196,100)</u>	<u>\$58,306,916</u>

The County's capital assets reported above for Business-Type Activities include \$830,442 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.

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The amounts reported in the government-wide financial statements at December 31, 2022, 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
2021	\$0	\$19,418	\$841	\$18,577
2022	18,577	100	18,677	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. 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):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The 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

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year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

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

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

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

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

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

For 2022, the County's contractually required contribution was \$3,436,990 for the traditional plan, \$27,758 for the combined plan and \$29,711 for the member-directed plan. Of these amounts, \$529,186 is reported as an intergovernmental payable for the traditional plan, \$2,634 for the combined plan, and \$3,156 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.

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 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 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 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.

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

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

The County's contractually required contribution to STRS was \$95,537 for 2022. Of this amount, \$3,865 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, 2021, and the net pension liability for STRS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense 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	0.16136428%	0.05600595%	0.005110220%	
Prior Measurement Date	0.15368507%	0.07064134%	0.005062603%	
Change in Proportionate Share	<u>0.00767921%</u>	<u>-0.01463539%</u>	<u>0.000047617%</u>	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$220,667)	\$0	(\$220,667)
Net Pension Liability	\$14,039,348	\$0	\$1,136,011	\$15,175,359
Pension Expense	(\$1,066,291)	(\$4,673)	\$132,378	(\$938,586)

2022 pension expense for the member-directed defined contribution plan was \$29,711. The aggregate pension expense for all pension plans was (\$908,875) for 2022.

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

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	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$715,705	\$1,369	\$14,543	\$731,617
Changes of assumptions	1,755,605	11,088	135,946	1,902,639
Net difference between projected and actual earnings on pension plan investments	0	0	39,531	39,531
Changes in proportion and differences between County contributions and proportionate share of contributions	1,385,319	30,836	9,713	1,425,868
County contributions subsequent to the measurement date	3,436,990	27,758	56,315	3,521,063
Total Deferred Outflows of Resources	\$7,293,619	\$71,051	\$256,048	\$7,620,718
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$307,917	\$24,681	\$4,345	\$336,943
Changes of assumptions	0	0	102,328	102,328
Net difference between projected and actual earnings on pension plan investments	16,699,290	47,307	0	16,746,597
Changes in proportion and differences between County contributions and proportionate share of contributions	0	6,400	105,522	111,922
Total Deferred Inflows of Resources	\$17,007,207	\$78,388	\$212,195	\$17,297,790

\$3,521,063 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 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Year Ending December 31:				
2023	(\$1,095,924)	(\$11,007)	(\$35,167)	(\$1,142,098)
2024	(5,471,505)	(16,550)	(48,760)	(5,536,815)
2025	(3,926,678)	(9,657)	(43,747)	(3,980,082)
2026	(2,656,471)	(6,225)	115,212	(2,547,484)
2027	0	1,901	0	1,901
Thereafter	0	6,443	0	6,443
Total	(\$13,150,578)	(\$35,095)	(\$12,462)	(\$13,198,135)

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.

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

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

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

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement

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

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

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

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

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

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

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expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$37,015,352	\$14,039,348	(\$5,079,748)
OPERS Combined Plan	(164,657)	(220,667)	(264,348)

Actuarial Assumptions - STRS

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

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on age
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

For 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. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020. Post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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Actuarial assumptions used in the June 30, 2022, 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>	

* Target allocation percentage is effective July 1, 2022.

Target weights were phased in over a 3 month period concluding on 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, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$1,716,095	\$1,136,011	\$645,435

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

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by

OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$9,151 for 2022. Of this amount, \$1,263 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 will be 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 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, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.15301132%	0.005110220%	
Prior Measurement Date	0.14589575%	0.005062603%	
Change in Proportionate Share	<u>0.00711557%</u>	<u>0.000047617%</u>	
Proportionate Share of the Net:			
OPEB Asset	(\$4,792,549)	(\$132,320)	(\$4,924,869)
OPEB Expense	(\$3,715,923)	(\$17,741)	(\$3,733,664)

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

	<u>OPERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$0	\$1,918	\$1,918
Changes of assumptions	0	5,636	5,636
Net difference between projected and actual earnings on pension plan investments	0	2,303	2,303
Changes in proportion and differences between County contributions and proportionate share of contributions	412,218	12,921	425,139
County contributions subsequent to the measurement date	9,151	0	9,151
Total Deferred Outflows of Resources	<u>\$421,369</u>	<u>\$22,778</u>	<u>\$444,147</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$726,956	\$19,872	\$746,828
Changes of assumptions	1,939,970	93,828	2,033,798
Net difference between projected and actual earnings on OPEB plan investments	2,284,749	0	2,284,749
Changes in proportion and differences between County contributions and proportionate share of contributions	0	879	879
Total Deferred Inflows of Resources	<u>\$4,951,675</u>	<u>\$114,579</u>	<u>\$5,066,254</u>

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\$9,151 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 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	STRS	Total
Fiscal Year Ending June 30:			
2023	(\$2,691,314)	(\$24,245)	(\$2,715,559)
2024	(1,020,811)	(23,786)	(1,044,597)
2025	(499,206)	(14,216)	(513,422)
2026	(328,126)	(6,117)	(334,243)
2027	0	(7,762)	(7,762)
Thereafter	0	(15,675)	(15,675)
Total	(\$4,539,457)	(\$91,801)	(\$4,631,258)

Actuarial Assumptions - OPERS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's proportionate share of the net OPEB asset	(\$2,818,469)	(\$4,792,549)	(\$6,431,066)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	(\$4,844,338)	(\$4,792,549)	(\$4,731,110)

Actuarial Assumptions – STRS

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

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	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 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 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, 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 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.

Actuarial assumptions used in the June 30, 2022, 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, 2022. 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, 2022. 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, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB asset	(\$122,327)	(\$132,320)	(\$140,881)

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	(\$137,249)	(\$132,320)	(\$126,100)

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 maximum number of hours, depending on length of service and departmental policy, to employees who retire.

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 2022 on the deferred inflow – deferred charge on refunding was \$45,421. The amount amortized during 2022 on the deferred outflow – deferred charge on refunding was \$58,506. 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.

During 2022, one of the two Eden Park Sewer extension project USDA Loans was refinanced through OWDA for \$332,369.

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.

During 2022, one of the two Eden Park Sewer extension project loans was refinanced through OWDA.

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, 2022

	Principal Outstanding at 12/31/2021	Additions	Deletions	Principal Outstanding at 12/31/2022	Due Within One Year
<i><u>Business-Type Activity</u></i>					
<i><u>General Obligation Bonds</u></i>					
Various Purpose Refunding Bonds					
2021 2.00 - 4.00% - \$3,645,000	\$3,520,000	\$0	\$150,000	\$3,370,000	\$160,000
Premium	381,083	0	15,607	365,476	0
	<u>3,901,083</u>	<u>0</u>	<u>165,607</u>	<u>3,735,476</u>	<u>160,000</u>
Total Enterprise General Obligation Bonds	3,901,083	0	165,607	3,735,476	160,000
<i><u>OPWC Loans</u></i>					
<i><u>Direct Borrowings</u></i>					
2002 OPWC Wheelersburg Pump Station Renovations 0% - \$162,352	8,110	0	8,110	0	0
2004 OPWC Sanitary Sewer System Renovations 0% - \$162,100	24,298	0	8,106	16,192	8,106
2006 OPWC Wheelersburg and West Portmsouth Pump Station 0% - \$235,543	64,762	0	11,778	52,984	11,778
2006 OPWC Sciotoville Area Sanitary Sewer Extensions 0% - \$9,482	2,609	0	474	2,135	474
2008 OPWC Pump Station Renovations 0% - \$201,860	75,698	0	10,093	65,605	10,093
2009 OPWC Sanitary Sewer Improvements 0% - \$165,000	70,125	0	8,250	61,875	8,250
2012 OPWC Sanitary Sewer Improvements UV Project 0% - \$181,000	86,882	0	6,435	80,447	6,435
2014 OPWC Sanitary Sewer Eden Park Extension 0% - \$247,872	392,840	0	25,344	367,496	25,344
2017 OPWC West Portsmouth Modification 0% - \$16,266	13,827	0	542	13,285	542
2021 OPWC Scioto County Porter Township Joint Improvement 0% - \$127,853	123,591	0	4,262	119,329	4,262
	<u>123,591</u>	<u>0</u>	<u>4,262</u>	<u>119,329</u>	<u>4,262</u>
Total OPWC Loans	\$862,742	\$0	\$83,394	\$779,348	\$75,284

(Continued)

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

	Principal Outstanding at 12/31/2021	Additions	Deletions	Principal Outstanding at 12/31/2022	Due Within One Year
<i>OWDA and USDA Loans</i>					
<i>Direct Borrowings</i>					
Wastewater Treatment and Collection System for South Webster 2003 0%	\$1,126,515	\$0	\$102,410	\$1,024,105	\$102,410
Briarcliff WWTP Elimination New Pump Station 2018 0%	325,948	0	19,173	306,775	19,173
Lucasville Interceptor Project 2020 0%	1,080,558	0	45,266	1,035,292	51,813
Eden Park Extension OWDA Loan 0%	0	332,369	2,824	329,545	6,759
<i>Direct Placements</i>					
Eden Park Extension USDA Loan 4.5%	1,189,100	0	341,000	848,100	20,500
Minford Sewer System Project USDA Loan 4.5%	13,406,350	0	272,210	13,134,140	278,670
West Portsmouth/Purtee Acres USDA Loan 1.50%	670,364	2,219,651	0	2,890,015	0
Total OWDA and USDA Loans	17,798,835	2,552,020	782,883	19,567,972	479,325
<i>Other Long-Term Obligations</i>					
Compensated Absences	122,620	71,099	68,826	124,893	69,110
Net Pension Liability - OPERS	886,654	0	339,664	546,990	0
Total Other Long-Term Obligations	1,009,274	71,099	408,490	671,883	69,110
Total Business-Type Activities	\$23,571,934	\$2,623,119	\$1,440,374	\$24,754,679	\$783,719

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		Totals	
	General Obligation Bonds		OPWC Loans	OWDA Loans	USDA Loans			
	Principal	Interest	Principal	Principal	Principal	Interest	Principal	Interest
2023	\$160,000	\$104,900	\$75,284	\$180,155	\$299,170	\$329,958	\$714,609	\$434,858
2024	170,000	98,500	75,264	180,843	306,280	322,905	732,387	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
2028-2032	1,060,000	273,900	218,685	926,223	1,761,900	1,383,756	3,966,808	1,657,656
2033-2037	930,000	111,850	154,168	434,404	1,979,590	1,165,978	3,498,162	1,277,828
2038-2042	360,000	40,500	24,020	288,525	2,224,380	921,264	2,896,925	961,764
2043-2047	160,000	6,750	23,755	71,812	2,499,430	646,272	2,754,997	653,022
2048-2052	0	0	12,779	66,981	2,808,380	337,257	2,888,140	337,257
2053-2054	0	0	0	0	1,140,430	40,787	1,140,430	40,787
Totals	\$3,370,000	\$890,500	\$779,348	\$2,695,717	\$13,982,240	\$6,072,879	\$20,827,305	\$6,963,379

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. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the County. 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>
2023	\$89,334	\$6,513
2024	22,056	1,627
2025	17,212	867
2026	11,368	357
2027	4,134	33
	<u>\$144,104</u>	<u>\$9,397</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 2022 totaled \$12,197 in a governmental fund.

SCIOTO COUNTY, OHIO
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In prior years, the County entered into a financed purchase agreement for a copier. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made in 2022 totaled \$234 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
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
GIS Mapping Special Revenue Fund
Child Support Enforcement Agency Special Revenue Fund
Public Assistance Special Revenue Fund
Indigent Guardianship 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

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
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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
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:

	(Restated) Principal Outstanding at 12/31/2021	Additions	Deletions	Principal Outstanding at 12/31/2022	Due Within One Year
<i>Governmental Activities</i>					
<i>General Obligation Bonds</i>					
Economic Development Facilities Refunding					
Revenue Bonds 2013 0.55 - 5.05% - \$1,815,000	\$690,000	\$0	\$160,000	\$530,000	\$170,000
Various Purpose Refunding Bonds					
2014 2.00 - 4.00% - \$4,880,000	2,670,000	0	295,000	2,375,000	310,000
Premium on Various Purpose Bonds	2,091	0	285	1,806	0
Various Purpose Refunding Bonds					
2021 2.00 - 2.00 - 4.00% - \$230,000	190,000	0	40,000	150,000	35,000
Premium	21,149	0	4,789	16,360	0
	<u>3,573,240</u>	<u>0</u>	<u>500,074</u>	<u>3,073,166</u>	<u>515,000</u>
Total General Obligation Bonds					
	<u>3,573,240</u>	<u>0</u>	<u>500,074</u>	<u>3,073,166</u>	<u>515,000</u>
<i>Net Pension Liability</i>					
OPERS	21,870,762	0	8,378,404	13,492,358	0
STRS	647,300	488,711	0	1,136,011	0
	<u>22,518,062</u>	<u>488,711</u>	<u>8,378,404</u>	<u>14,628,369</u>	<u>0</u>
Total Net Pension Liability					
	<u>22,518,062</u>	<u>488,711</u>	<u>8,378,404</u>	<u>14,628,369</u>	<u>0</u>
<i>Other Long-Term Obligations</i>					
Lease Payable	154,096	71,236	81,228	144,104	89,334
Financed Purchase Payable	110,168	0	12,431	97,737	13,342
Compensated Absences	2,341,562	1,578,665	1,504,076	2,416,151	1,359,180
Ohio Bureau of Workers' Compensation					
Retrospective Rating Program Claims	18,577	100	18,677	0	0
	<u>2,624,403</u>	<u>1,650,001</u>	<u>1,616,412</u>	<u>2,657,992</u>	<u>1,461,856</u>
Total Other Long-Term Obligations					
	<u>2,624,403</u>	<u>1,650,001</u>	<u>1,616,412</u>	<u>2,657,992</u>	<u>1,461,856</u>
<i>Total Governmental Activities</i>	<u>\$28,715,705</u>	<u>\$2,138,712</u>	<u>\$10,494,890</u>	<u>\$20,359,527</u>	<u>\$1,976,856</u>

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

SCIOTO COUNTY, OHIO
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	General Obligation			
	Bonds		Financed Purchase Payable	
	Principal	Interest	Principal	Interest
2023	\$515,000	\$115,836	\$13,342	\$8,256
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
2028-2030	735,000	43,500	17,278	721
Totals	\$3,055,000	\$428,173	\$97,737	\$28,260

The County's total legal debt margin was \$29,160,218 with an unvoted debt margin of \$12,208,736 at December 31, 2022.

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, 2022, is \$5,400,000.

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, 2022, is \$100,245,000.

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, 2022, is \$8,692,761.

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, 2022, is \$17,105,000.

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
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NOTE 17 - INTERFUND ACTIVITY

Interfund balances at December 31, 2022, consist of the following individual fund receivables and payables:

		Receivables				Total
		General	Public Assistance	Children Services	Nonmajor Governmental Funds	
Payables	General	\$0	\$15,607	\$0	\$8,411	\$24,018
	Public Assistance	0	0	37,483	37,512	74,995
	Children Services	0	210,984	0	0	210,984
	Nonmajor Governmental Funds	93,737	0	0	0	93,737
	Total	\$93,737	\$226,591	\$37,483	\$45,923	\$403,734

The Public Assistance Fund has outstanding payables to Children Services and Nonmajor Governmental Funds for services provided through various contracts existing with Public Assistance. 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 Children services Fund has an outstanding payable to the Public Assistance Fund for shared Costs relating to Child protective services. The Nonmajor Governmental Funds have outstanding payables to the General Fund for 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, 2022, were as follows:

		Transfers To						Total
		General	Public Assistance	Motor Vehicle Gas Tax	Children's Services	Nonmajor Governmental Funds	Sewer	
Transfers From	General	\$0	\$172,038	\$24,500	\$60,000	\$1,892,174	\$0	\$2,148,712
	Public Assistance	0	0	0	0	36,514	0	36,514
	Motor Vehicle Gas Tax	0	0	0	0	2,008,319	0	2,008,319
	Local Fiscal Recovery	0	0	500,000	3,000,000	0	0	3,500,000
	Nonmajor Governmental Funds	91,998	0	261,248	0	203,992	9,669	566,907
	Sewer	0	0	0	0	15,000	0	15,000
	Total	\$91,998	\$172,038	\$785,748	\$3,060,000	\$4,155,999	\$9,669	\$8,275,452

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 nonmajor capital projects funds in order to provide for the County's local share of the projects. Once the projects are complete, transfers are made to return any remaining unspent local share monies back to the Motor Vehicle and Gas Tax fund. Transfers were made from the Motor Vehicle and Gas Tax Fund to a nonmajor special revenue fund to support GIS mapping operations.

A transfer was made from the Sewer Enterprise fund to a nonmajor special revenue fund to support GIS mapping operations.

Transfers were made from the Local Fiscal Recovery Fund to the Children Services Fund to pay for services to foster youth including expenses for housing and boarding. Also, a transfer was made from the Local Fiscal Recovery Fund to the Motor Vehicle Gas Tax Fund to supplement the Fund for the construction of an equipment shed to secure equipment.

On February 24, 2022, the Scioto County Board of County Commissioners notified the Scioto County Children Services Board of their intention to restructure the Children Services agency (a.k.a. Child Protective Services or CPS) and bring it under the control of the Scioto County Department of Job and Family Services (SCDJFS). The Board of County Commissioners cited both financial and operational concerns as the reasons behind the restructure.

On March 10, 2022, the Board of County Commissioners accepted communication from the Children Services Board indicating that they had approved the restructure. On March 17, 2022, the Board of County Commissioners adopted a resolution officially notifying SCDJFS of their intention to designate SCDJFS as the Public Children Services Agency (PCSA) for Scioto County in accordance with Ohio Revised Code Section 307.981 (E).

This designation of SCDJFS as the PCSA was effective on July 1, 2022. As part of this designation, the operations of the Children Services agency (or CPS) came under the control of SCDJFS and the role of the Children Services Board became advisory only. All CPS employees were transferred to SCDJFS, and their salaries and benefits are now paid from the Job and Family Services (a.k.a. Public Assistance) Fund. The Children Services tax levy and all other revenues and expenses related to foster care continue to flow through the Children Services Fund.

Although the structure of CPS as well as the funds through which some of the CPS financial activity is tracked have changed, both SCDJFS and CPS continue to be part of the same reporting entity. The overall impact to the County's financial statements as a result of the restructure is expected to be minimal.

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 2022.

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 2022; 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 2022. 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 \$14,310 to the Commission during the year.

SCIOTO COUNTY COMMUNITY ACTION ORGANIZATION - JOINTLY GOVERNED ORGANIZATION

The Scioto County Community Action Organization (CAO) is an IRS 501C3 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 2022, the County made payments to the CAO in the amount of \$730,691 for the provision of services to the Scioto County Department of Jobs and Family Services and \$15,000 for a grant from the Local Fiscal Recovery Fund.

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 2022, 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 2022.

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 \$204,047 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 2022, 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 \$463,336 as of December 31, 2022. Complete financial statements can be obtained from the Scioto County Auditor's Office at 602 7th Street, Room 103, Portsmouth, OH 45662.

NOTE 19 - RISK SHARING POOL

COUNTY RISK SHARING AUTHORITY, INC. (CORSA)

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

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
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CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payments of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2022 was \$373,272. 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, 2022, the County had the following contractual purchase commitments for various projects:

Project/Contractor	Contract Amount	Amount Expended	Balance at December 31, 2022
Lick Run Lyra Road - The Shelly Company	\$2,052,250	\$1,776,500	\$275,750
Traffic Signal Install - West End Electric	29,250	15,188	14,062
Hammerstein Road Improvements - The Shelly Company	855,137	22,712	832,425
Duck Run Road Bridge Replacement - D.G.M. Inc	681,000	0	681,000
Duck Run Road Bridge Replacement - BG Engineering Group	81,000	59,786	21,214
New Construction - Tyler CLT	61,000	59,393	1,607
Reappraisal - Tyler CLT	837,800	614,359	223,441
Aerial Imagery - Woolpert	66,196	0	66,196
Courthouse Security Upgrade - West End Electric	314,393	0	314,393
Renovations in Title Office - Randall Mullins	12,520	9,800	2,720
Renovations in OSU Extension Office - Randall Mullins	14,400	8,000	6,400
Southern Ohio War Memorial - Flowers Monument	102,137	51,069	51,068
211 Green Street - Roger hemming LLC	89,172	18,055	71,117
Franklin Furnance Park - Snider Recreation Inc	300,901	0	300,901
West Portsmouth and Purtee Acres - Geiger Brothers	1,748,519	1,733,902	14,617
West Portsmouth and Purtee Acres - Strand Associates	569,570	559,570	10,000
West Portsmouth and Purtee Acres - Mechanical Construction	1,383,814	1,331,925	51,889
Franklin Furnance - Strand Associates	25,000	16,577	8,423
Pershing Ave - Strand Associates	90,000	6,610	83,390
Commerical Building - ClearSpan	197,035	124,871	72,164
Total	<u>\$9,511,094</u>	<u>\$6,408,317</u>	<u>\$3,102,777</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.

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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	\$762,012
Public Assistance	653,148
Motor Vehicle Gas Tax	128,859
Children Services	15,707
Nonmajor Governmental Funds	<u>2,502,456</u>
Total Governmental Funds	4,062,182
Proprietary Funds:	
Sanitary Sewer	<u>594,636</u>
Total	<u><u>\$4,656,818</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, 2022, to December 31, 2022, 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 2022, these contributions were \$196,758.

The Southern Ohio Port Authority, a discretely presented component unit of Scioto County, was paid \$1,500,000 on August 18, 2022 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 August 18, 2022 which authorized the Director of Economic Development making a loan or grant to the Southern Ohio Port Authority for the airport building as a part of the SOAR project in the amount of \$1,500,000.

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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:

Fund Balances	General Fund	Public Assistance Fund	Motor Vehicle Gas Tax Fund	Board of Developmental Disabilities Fund	Children Services Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>							
Prepays	\$374,231	\$92,951	\$29,345	\$76,028	\$2,358	\$69,578	\$644,491
Materials and							
Supplies Inventory	75,689	24,301	630,678	8,820	0	5,833	745,321
Long-term Receivable	87,500	0	0	0	0	0	87,500
Unclaimed Monies	652,086	0	0	0	0	0	652,086
<i>Total Nonspendable</i>	1,189,506	117,252	660,023	84,848	2,358	75,411	2,129,398
<i>Restricted for</i>							
Debt Service	0	0	0	0	0	70,972	70,972
Capital Projects	0	0	0	0	0	807,933	807,933
Public Safety	0	0	0	0	0	2,632,077	2,632,077
Human Services	0	1,286,372	0	0	578,006	3,782,110	5,646,488
Public Works	0	0	6,079,030	0	0	0	6,079,030
Health	0	0	0	7,994,181	0	400,697	8,394,878
Community and							
Economic Development	0	0	0	0	0	410,727	410,727
Transportation	0	0	0	0	0	462,453	462,453
Judicial	0	0	0	0	0	845,132	845,132
Legislative and Executive	0	0	0	0	0	2,415,672	2,415,672
Conservation and Recreation	0	0	0	0	0	121,853	121,853
<i>Total Restricted</i>	0	1,286,372	6,079,030	7,994,181	578,006	11,949,626	27,887,215
<i>Committed to</i>							
Capital Projects	0	0	0	0	0	150,000	150,000
Judicial Programs	0	0	0	0	0	312,308	312,308
<i>Total Committed</i>	0	0	0	0	0	462,308	462,308
<i>Assigned to</i>							
Future Appropriations	302,425	0	0	0	0	0	302,425
Debt Service	0	0	0	0	0	3,137	3,137
Purchases on Order	490,121	0	0	0	0	0	490,121
Public Safety Programs	92,616	0	0	0	0	0	92,616
Judicial Programs	503	0	0	0	0	0	503
Legislative and Executive	11,517	0	0	0	0	0	11,517
<i>Total Assigned</i>	897,182	0	0	0	0	3,137	900,319
<i>Unassigned (Deficit)</i>	11,700,821	0	0	0	0	(954,002)	10,746,819
<i>Total Fund Balances</i>	\$13,787,509	\$1,403,624	\$6,739,053	\$8,079,029	\$580,364	\$11,536,480	\$42,126,059

NOTE 24 – ACCOUNTABILITY

At December 31, 2022, the Lick Run Lyra Road Fund had a deficit fund balance of \$954,002. 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. 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.

During 2022, the County received \$7,314,431 in American Rescue Plan Act Coronavirus State and Local Fiscal Recovery (SLFRF) funds. During 2022, \$4,673,866 was spent for capital projects, child protective services and economic development and assistance.

NOTE 26 – SUBSEQUENT EVENTS

On January 5, 2023 the Board of County Commissioners awarded a bid to Distel Construction, Inc. in the amount of \$706,735 for the Lucasville Equipment Shed Project.

On January 19, 2023 the Board of County Commissioners awarded the Henley Deemer Road Bridge Replacement Project to Alan Stone Company in the amount of \$710,000.

On January 19, 2023 the Board of County Commissioners awarded the Rarden Hazelbaker Road Bridge Replacement Project to DGM, Inc. in the amount of \$1,277,000.

On June 8, 2023 the Board of County Commissioners approved a contract with DGM, Inc. for the SCI-TR100-0.46/1.63 Pond Run Road Bridge Replacement Project in the amount of \$950,000.

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.

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.

Restatement of Net Position - The implementation of GASB Statement No. 87 had the following effect on net position as of December 31, 2021:

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Net Position, December 31, 2021	\$2,494,100
Adjustments:	
Leases Receivable	(952)
Restated Net Position, December 31, 2021	\$2,493,148

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 \$146,914 at December 31, 2022. This amount represents the discounted future lease payments. This amount is being amortized using the interest method. For 2022, the Airport recognized lease revenue of \$27,148 and interest revenue of \$2,804 related to lease payments received.

Capital Assets - A summary of the Airport's capital assets at December 31, 2022, follows:

Land	\$365,737
Construction in Progress	73,368
Land Improvements	3,804,136
Buildings	1,858,449
Machinery and Equipment	197,933
Vehicles	164,470
Less: Accumulated Depreciation	(2,267,821)
Total Capital Assets (Net)	\$4,196,272

As of December 31, 2022, the Airport had the following contractual purchase commitments for:

Project/Contractor	Balance at December 31, 2022
2022 ODOT Runway Lighting-task 600	
Stantec Consulting Services Inc.	\$55,515
Jess Howard Electric Company	246,675
Total	\$302,190

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.

SCIOTO COUNTY, OHIO
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For the Year Ended December 31, 2022

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, 2022, the Corporation's bank balance of \$125,333 was covered by Federal Deposit Insurance Corporation (FDIC).

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, 2022, the bank balance of the Port Authority's deposits was \$995,375 of which \$500,000 was covered by federal depository insurance and \$495,373 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 the accompanying financial statements.

Capital Assets: - A summary of the Port Authority's capital assets at December 31, 2022, follows:

Land	\$1,036,780
Construction In Progress	5,135,222
Buildings and Improvements	10,200
Less Accumulated Depreciation	<u>(638)</u>
Total Capital Assets, net	<u><u>\$6,181,564</u></u>

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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, 2022, is \$6,100,000.

Lease Receivable - The Port Authority is reporting a lease receivable of \$6,100,000 at December 31, 2022. This amount represents discounted future lease payments. This discount is being amortized using the interest method. For 2022, the Port Authority did not report any lease or interest revenue. 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.

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 , 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.

As of 22, 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, 2022, the outstanding balance of this debt was \$6,288,026.

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, 2022, the outstanding balance of this debt reported by Scioto County was \$530,000.

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, 2022, the outstanding balance of this debt was \$249,550,000.

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 28 - CONDENSED COMPONENT UNIT STATEMENTS

CONDENSED COMPONENT UNIT STATEMENT OF NET POSITION

	Scioto County Airport Authority	Scioto County Land Reutilization Corporation	Southern Ohio Port Authority	Total
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$57,486	\$125,333	\$211,628	\$394,447
Cash and Cash Equivalents with Fiscal Agent	0	3,784	0	3,784
Restricted Assets:				
Cash and Cash Equivalents Held by Trustee	0	0	1,686,210	1,686,210
Cash and Cash Equivalents	0	0	532,102	532,102
Accounts Receivable	4,034	0	420	4,454
Due from Other Governments	65,837	0	0	65,837
Leases Receivable	146,914	0	6,100,000	6,246,914
Unamortized Bond Discount	0	0	72,676	72,676
Assets Held for Resale	0	1,766,770	0	1,766,770
Capital Assets:				
Land and Construction in Progress	439,105	0	6,172,002	6,611,107
Depreciable Capital Assets, Net	3,757,167	0	9,562	3,766,729
Total Assets	4,470,543	1,895,887	14,784,600	21,151,030
<u>Liabilities:</u>				
Accounts Payable	\$8,951	\$0	\$0	\$8,951
Contracts Payable	30,097	0	0	30,097
Retainage Payable	3,196	0	0	3,196
Accrued Liabilities	0	46,673	18,249	64,922
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	225,000	225,000
Due in More Than One Year:				
Other Amounts	0	0	5,875,000	5,875,000
Total Liabilities	42,244	101,257	6,238,249	6,381,750
<u>Deferred Inflows of Resources:</u>				
Leases	146,914	0	6,100,000	6,246,914
<u>Net Position:</u>				
Net Investment in Capital Assets	4,162,979	0	1,807,195	5,970,174
Restricted	0	0	532,102	532,102
Unrestricted	118,406	1,794,630	107,054	2,020,090
Total Net Position	\$4,281,385	\$1,794,630	\$2,446,351	\$8,522,366

SCIOTO COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

CONDENSED COMPONENT UNIT STATEMENT OF ACTIVITIES

	Scioto County Airport Authority	Scioto County Land Reutilization Corporation	Southern Ohio Port Authority	Total
Expenses:	<u>\$529,359</u>	<u>\$698,382</u>	<u>\$250,587</u>	<u>\$1,478,328</u>
Program Revenues:				
Charges for Services and Sales	396,454	0	1,200	397,654
Operating Grants and Contributions	196,758	439,231	1,802,535	2,438,524
Capital Grants and Contributions	<u>1,727,321</u>	<u>0</u>	<u>0</u>	<u>1,727,321</u>
Total Program Revenues	2,320,533	439,231	1,803,735	4,563,499
Interest	2,821	0	32,656	35,477
Miscellaneous	<u>347</u>	<u>0</u>	<u>0</u>	<u>347</u>
Total Revenues	<u>2,323,701</u>	<u>439,231</u>	<u>1,836,391</u>	<u>4,599,323</u>
Income (Loss) Before Disposal of Assets	1,794,342	-259,151	1,585,804	3,120,995
Loss on Disposal of Assets	<u>(6,105)</u>	<u>0</u>	<u>0</u>	<u>(6,105)</u>
Change in Net Position	1,788,237	(259,151)	1,585,804	3,114,890
<i>Net Position at Beginning of Year - Restated</i>	<u>2,493,148</u>	<u>2,053,781</u>	<u>860,547</u>	<u>5,407,476</u>
<i>Net Position at End of Year</i>	<u>\$4,281,385</u>	<u>\$1,794,630</u>	<u>\$2,446,351</u>	<u>\$8,522,366</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 Nine Years (1)

	2022	2021	2020	2019
County's Proportion of the Net Pension Liability	0.16136428%	0.15368507%	0.14430031%	0.14956893%
County's Proportionate Share of the Net Pension Liability	\$14,039,348	\$22,757,416	\$28,521,937	\$40,963,900
County's Covered Payroll	\$22,743,278	\$21,061,645	\$20,804,986	\$19,636,845
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	61.73%	108.05%	137.09%	208.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 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.

2018	2017	2016	2015	2014
0.15102596%	0.15310712%	0.15238630%	0.15310760%	0.15310760%
\$23,693,048	\$34,768,024	\$26,395,228	\$18,466,488	\$18,049,391
\$19,458,971	\$19,884,376	\$18,474,210	\$18,192,968	\$17,879,362
121.76%	174.85%	142.88%	101.50%	100.95%
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 Five Years (1)

	2022	2021	2020
County's Proportion of the Net Pension Liability (Asset)	0.05600595%	0.07064134%	0.06570641%
County's Proportionate Share of the Net Pension Liability (Asset)	(\$220,667)	(\$203,916)	(\$137,011)
County's Covered Payroll	\$255,329	\$311,314	\$307,693
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(86.42)%	(65.50)%	(44.53)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	169.88%	157.67%	145.28%

(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.

2019	2018
0.06829029%	0.06715062%
(\$76,366)	(\$91,414)
\$292,071	\$275,015
(26.15)%	(33.42)%
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 Six Years (1)

	2022	2021	2020	2019
County's Proportion of the Net OPEB Liability (Asset)	0.15301132%	0.14589575%	0.13696067%	0.14207400%
County's Proportionate Share of the Net OPEB Liability (Asset)	(\$4,792,549)	(\$2,599,248)	\$18,917,824	\$18,523,094
County's Covered Payroll	\$23,190,232	\$21,485,059	\$21,224,104	\$20,048,166
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(20.67)%	(12.10)%	89.13%	92.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	128.23%	115.57%	47.80%	46.33%

(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.

2018	2017
0.14345900%	0.14614860%
\$15,578,589	\$14,221,450
\$19,855,111	\$20,336,027
78.46%	69.93%
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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's Proportion of the Net Pension Liability	0.00511022%	0.00506260%	0.00535728%	0.00613029%
County's Proportionate Share of the Net Pension Liability	\$1,136,011	\$647,300	\$1,296,271	\$1,355,677
County's Covered Payroll	\$664,350	\$624,693	\$646,536	\$719,721
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.00%	103.62%	200.49%	188.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
0.00593058%	0.00489094%	0.00604072%	0.00591745%	0.00652135%	0.00652135%
\$1,304,002	\$1,161,853	\$2,022,011	\$1,635,410	\$1,586,219	\$1,889,493
\$674,207	\$537,700	\$635,600	\$617,386	\$717,554	\$757,315
193.41%	216.08%	318.13%	264.89%	221.06%	249.50%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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 Six Fiscal Years (1)

	2022	2021	2020	2019
County's Proportion of the Net OPEB Liability (Asset)	0.00511022%	0.00506260%	0.00535728%	0.00613029%
County's Proportionate Share of the Net: OPEB Liability (Asset)	(\$132,320)	(\$106,740)	(\$94,153)	(\$101,532)
County's Covered Payroll	\$664,350	\$624,693	\$646,536	\$719,721
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(19.92)%	(17.09)%	(14.56)%	(14.11)%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.70%	174.70%	182.10%	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.

<u>2018</u>	<u>2017</u>
0.00593058%	0.00489094%
(\$95,298)	\$190,827
\$674,207	\$537,700
(14.13)%	35.49%
176.00%	47.10%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability					
Contractually Required Contribution	\$95,537	\$91,003	\$89,412	\$98,887	\$102,663
Contributions in Relation to the Contractually Required Contribution	<u>(95,537)</u>	<u>(91,003)</u>	<u>(89,412)</u>	<u>(98,887)</u>	<u>(102,663)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$682,407	\$650,021	\$638,657	\$706,336	\$733,307
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
Net OPEB Asset / Liability					
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$82,322	\$83,684	\$85,682	\$91,873	\$89,512
<u>(82,322)</u>	<u>(83,684)</u>	<u>(85,682)</u>	<u>(91,873)</u>	<u>(89,512)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$588,014	\$597,743	\$612,014	\$681,888	\$688,554
14.00%	14.00%	14.00%	13.47%	13.00%
\$0	\$0	\$0	\$3,614	\$6,886
<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,614)</u>	<u>(6,886)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.00%	0.53%	1.00%
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)

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$3,436,990	\$3,279,001	\$3,029,577	\$2,994,927
Contributions in Relation to the Contractually Required Contribution	<u>(3,436,990)</u>	<u>(3,279,001)</u>	<u>(3,029,577)</u>	<u>(2,994,927)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$23,829,803	\$22,743,278	\$21,061,645	\$20,804,986
Contributions as a Percentage of Covered Payroll	14.42%	14.42%	14.38%	14.40%
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$27,758	\$35,746	\$43,584	\$43,077
Contributions in Relation to the Contractually Required Contribution	<u>(27,758)</u>	<u>(35,746)</u>	<u>(43,584)</u>	<u>(43,077)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$198,271	\$255,329	\$311,314	\$307,693
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability - OPEB Plan				
Contractually Required Contribution	\$9,151	\$7,665	\$4,484	\$4,457
Contributions in Relation to the Contractually Required Contribution	<u>(9,151)</u>	<u>(7,665)</u>	<u>(4,484)</u>	<u>(4,457)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$24,256,849	\$23,190,232	\$21,485,059	\$21,224,104
Contributions as a Percentage of Covered Payroll	0.04%	0.03%	0.02%	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.

2018	2017	2016	2015	2014	2013
\$2,828,190	\$2,606,685	\$2,465,706	\$2,288,853	\$2,256,548	\$2,401,615
(2,828,190)	(2,606,685)	(2,465,706)	(2,288,853)	(2,256,548)	(2,401,615)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$19,636,845	\$19,458,971	\$19,884,376	\$18,474,210	\$18,192,968	\$17,879,362
14.40%	13.40%	12.40%	12.39%	12.40%	13.43%
\$40,890	\$35,752	\$34,935			
(40,890)	(35,752)	(34,935)			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$292,071	\$275,015	\$291,125			
14.00%	13.00%	12.00%			
\$4,770	\$202,185	\$409,931			
(4,770)	(202,185)	(409,931)			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$20,048,166	\$19,855,111	\$20,336,027			
0.02%	1.02%	2.02%			

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SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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:

	2022	2019	2018 and 2017	2016 and prior
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 COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

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

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 5.50 to 5.00 percent

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 beginning in 2017 use 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

SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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	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:

	2017	2016 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	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
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	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 August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Investment rate of return:

2021 and 2022	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.

SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

CHANGES IN ASSUMPTIONS – OPERS OPEB

Projected Salary Increases (including wage inflation):	
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:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
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:	
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 3.25 percent, ultimate in 2028

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.

SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

CHANGES IN BENEFIT TERMS – STRS PENSION

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.

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, 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, 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.

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 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.

CHANGES IN BENEFIT TERMS – STRS OPEB

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.

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

SCIOTO COUNTY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

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, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Ohio Department of Job and Family Services</i>				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6987	N/A	\$485,429
<i>Passed through Ohio Department of Natural Resources</i>				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	N/A	N/A	<u>13,399</u>
<i>Direct from the U.S. Department of Agriculture</i>				
Water and Waste Disposal Systems for Rural Communities - Loan	10.760	N/A	N/A	<u>2,209,471</u>
Total U.S. Department of Agriculture				<u>2,708,299</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program				
Community Development Program	14.228	B-F-20-1CP-1	N/A	151,190
Community Housing Impact and Preservation Program		B-C-19-1CP-1	N/A	34,325
		B-C-21-1CP-1	N/A	<u>136,973</u>
Total Community Development Block Grants/State's Program				<u>322,488</u>
Home Investment Partnerships Program	14.239	B-C-19-1CP-2	N/A	154,567
		B-C-21-1CP-2	N/A	<u>108,859</u>
Total Home Investment Partnerships Program				<u>263,426</u>
Total U.S. Department of Housing and Urban Development				<u>585,914</u>
U.S. DEPARTMENT OF THE INTERIOR				
<i>Direct Program</i>				
Payments in Lieu of Taxes	15.226	N/A	N/A	23,695
<i>Passed through Ohio Department of Natural Resources</i>				
National Forest Acquired Lands	15.438	N/A	N/A	<u>44,414</u>
Total U.S. Department of the Interior				<u>68,109</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Direct from the Office of Justice Programs Bureau of Justice Assistance</i>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	N/A	19,650
<i>Direct from the United States Marshals Service</i>				
Equitable Sharing Program	16.922	N/A	N/A	41,897
<i>Passed through Ohio Attorney General Crime Victims Section</i>				
Crime Victim Assistance	16.575	2022-VOCA-134714895	N/A	12,414
		2022-VOCA-134714872	N/A	12,223
		2023-VOCA-135107106	N/A	<u>21,872</u>
Total Crime Victim Assistance				<u>46,509</u>
<i>Passed through Ohio Department of Public Safety Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JG-AO3-6220E	N/A	<u>15,379</u>
Total U.S. Department of Justice				<u>123,435</u>

(Continued)

SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct from the United States Federal Aviation Administration</i>				
Airport Improvement Program	20.106	3-39-0069-023-2021	N/A	1,628,384
COVID-19 Airport Improvement Program		3-39-0069-025-2022	N/A	32,000
Total Airport Improvement Program				1,660,384
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	104687	N/A	18,170
		104688	N/A	203,698
Total Highway Planning and Construction Cluster				221,868
Formula Grants for Rural Areas	20.509	RPTF-4119-005-221	N/A	309,879
		RPTM-0119-005-221	N/A	31,164
Total Formula Grants for Rural Areas				341,043
Federal Transit Cluster				
COVID-19 Bus and Bus Facilities Formula Program	20.526	CARE-0119-064-201	N/A	60,507
Total Passed Through Ohio Department of Transportation				623,418
<i>Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2022-Scioto Co. Sheriff's Offi-00090	N/A	15,212
		STEP-2023-Scioto Co. Sheriff's Offi-00045	N/A	2,736
Total State and Community Highway Safety				17,948
Total Highway Safety Cluster				17,948
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2022-Scioto Co. Sheriff's Offi-00090	N/A	11,066
		IDEP-2023-Scioto Co. Sheriff's Offi-00045	N/A	2,574
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				13,640
Total Passed Through Ohio Department of Public Safety - Office of Criminal Justice Services				31,588
Total U.S. Department of Transportation				2,315,390
U.S. DEPARTMENT OF THE TREASURY				
<i>Direct from the United States Department of the Treasury</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	995,000	4,673,866
Total U.S. Department of the Treasury				4,673,866
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Direct from the United States Environmental Protection Agency</i>				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	N/A	1,071
Total U.S. Environmental Protection Agency				1,071
U.S. DEPARTMENT OF EDUCATION				
<i>Passed through Ohio Department of Education</i>				
Special Education Cluster:				
Special Education- Grants to States	84.027A	078063-6BSF-2021	N/A	37,381
		078063-6BSF-2022	N/A	37,541
COVID-19 Special Education- Grants to States	84.027X	2022	N/A	3,657
Total Special Education- Grants to States				78,579
Special Education- Preschool Grants	84.173A	078063-PGS1-2021	N/A	746
		078063-PGS1-2022	N/A	372
COVID-19 Special Education- Preschool Grants	84.173X	2022	N/A	271
Total Special Education- Preschool Grants				1,389
Total Special Education Cluster				79,968
COVID-19 Education Stabilization Fund	84.425C	2022	N/A	113,963
Total Passed Through Ohio Department of Education				193,931
Total United States Department of Education				193,931
U.S. ELECTION ASSISTANCE COMMISSION				
<i>Passed through the Ohio Secretary of State:</i>				
2018 HAVA Election Security Grants	90.404	N/A	N/A	3,557
Total U.S. Election Assistance Commission				3,557

(Continued)

SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Ohio Department of Job and Family Services</i>				
Title IV-E Prevention Program	93.472	G-2223-11-6988	N/A	1,372
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-6988	N/A	14,676
Child Support Enforcement	93.563	G-2223-11-6987	N/A	767,303
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6988	N/A	68,883
Foster Care Title IV-E	93.658	G-2223-11-6988	N/A	2,221,737
Adoption Assistance	93.659	G-2223-11-6988	N/A	151,274
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6988	N/A	7,523
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6988		2,568
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood				<u>10,091</u>
Social Services Block Grant	93.667	G-2223-11-6987	102,496	1,182,717
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6987	N/A	10,443
TANF Cluster: Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6987	621,176	2,966,889
CCDF Cluster: Child Care and Development Block Grant	93.575	G-2223-11-6987	N/A	166,237
Children's Health Insurance Program	93.767	G-2223-11-6987	N/A	158,767
COVID-19 Children's Health Insurance Program	93.767	G-2223-11-6987	N/A	9,212
Total Children's Health Insurance Program				<u>167,979</u>
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2223-11-6987/G-2223-11-6988	N/A	1,569,143
COVID-19 Medical Assistance Program	93.778	G-2223-11-6987	N/A	50
Total Medical Assistance Program				<u>1,569,193</u>
Total Passed through the Ohio Department of Job and Family Services				9,298,794
<i>Passed through Children Defense Fund - Ohio</i>				
Maternal and Child Health Federal Consolidated Programs	93.110	5 U2DMC32394-03-00	N/A	52,623
<i>Passed through the Educational Service Center of Northeast Ohio</i>				
Maternal and Child Health Federal Consolidated Programs	93.110	6 U2ZMC46637-01-01	N/A	27,363
Total Maternal and Child Health Federal Consolidated Programs				79,986
<i>Passed through the Ohio Supreme Court</i>				
COVID-19 State Court Improvement Program	93.586	2101OHSCIC	N/A	16,559
<i>Passed through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant	93.667	N/A	N/A	44,930
Total U.S. Department of Health and Human Services				<u>9,440,269</u>
U.S. EXECUTIVE OFFICE OF THE PRESIDENT				
<i>Passed through the City of Independence, Ohio</i>				
High Intensity Drug Trafficking Areas Program	95.001	G21OH0003A G22OH0003A	N/A N/A	15,658 32,680
Total High Intensity Drug Trafficking Areas Program				<u>48,338</u>
Total U.S. Executive Office of the President				<u>48,338</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through Ohio Department of Natural Resources</i>				
Boating Safety Financial Assistance	97.012	N/A	N/A	13,080
<i>Passed through the Ohio Emergency Management Agency</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4424-DR-145-05957-00	N/A	2,567,288
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002 EMC-2021-EP-00007	N/A N/A	28,267 15,326
Total Emergency Management Performance Grants				<u>43,593</u>
Total U.S. Department of Homeland Security				<u>2,623,961</u>
Total Expenditures of Federal Awards				<u><u>\$22,786,140</u></u>

The accompanying notes are an integral part of this schedule.

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SCIOTO COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. 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, 2022 is \$64,680.

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, 2022 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, CFDA #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 \$848,100 as of December 31, 2022.

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, CFDA #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 \$13,134,140 as of December 31, 2022.

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, CFDA #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.

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



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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 Scioto County, (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 16, 2024 wherein we noted the County adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, resulting in the restatement to net position at January 1, 2022. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio
May 16, 2024

OHIO AUDITOR OF STATE KEITH FABER



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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 with 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, 2022. 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Scioto County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 3

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

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



Keith Faber
Auditor of State
Columbus, Ohio
May 16, 2024

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SCIOTO COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities – Loan – AL # 10.760 Airport Improvement Program – AL # 20.106 Highway Planning and Construction Cluster – AL # 20.205 COVID-19 Coronavirus State and Local Fiscal Recovery Funds – AL # 21.027 Foster Care Title IV-E – AL # 93.658 Disaster Grants – Public Assistance (Presidentially Declared Disasters) – AL # 97.036
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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 6/11/2024

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
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