



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

## **WYANDOT COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**





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Columbus, Ohio 43215  
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Board of County Commissioners  
Wyandot County  
109 S. Sandusky Ave.  
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditor's Report* of Wyandot County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Wyandot County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 12, 2024**

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## INDEPENDENT AUDITORS' REPORT

Wyandot County, Ohio  
Board of County Commissioners  
109 South Sandusky Avenue  
Upper Sandusky, Ohio

### Report on the Audit of the Financial Statements

#### Opinion

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash-basis of accounting described in Note 2.

#### Basis for Opinions

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

#### Emphasis of Matter - Accounting Basis

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

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Supplementary Information**

Our audit was conducted 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 June 24, 2024, on our consideration of the County's internal control over financial reporting and on 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.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 24, 2024

**Wyandot County, Ohio**  
Statement of Net Position - Cash Basis  
December 31, 2023

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Cash Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 23,705,898	\$ 2,631,114	\$ 26,337,012
Cash in Segregated Accounts	288,971	-	288,971
	<u>\$ 23,994,869</u>	<u>\$ 2,631,114</u>	<u>\$ 26,625,983</u>
 <b>Net Cash Position</b>			
Restricted for:			
Road and Bridge	\$ 2,492,410	\$ -	\$ 2,492,410
Developmental Disabilities	4,525,023	-	4,525,023
Conservation Programs	2,453,802	-	2,453,802
Public Safety	3,490,196	-	3,490,196
Human Services	2,279,713	-	2,279,713
Property Assessments	2,013,609	-	2,013,609
Judicial Programs	1,067,887	-	1,067,887
Capital Projects	847,694	-	847,694
Debt Service	140,273	-	140,273
Federal Programs	1,241,763	-	1,241,763
Other Purposes	234,910	-	234,910
Unrestricted	<u>3,207,589</u>	<u>2,631,114</u>	<u>5,838,703</u>
	<u>\$ 23,994,869</u>	<u>\$ 2,631,114</u>	<u>\$ 26,625,983</u>

See accompanying notes to the basic financial statements.

Wyandot County, Ohio  
Statement of Activities - Cash Basis  
Year Ended December 31, 2023

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities						
General Government:						
Legislative and Executive	\$ 3,818,731	\$ 1,131,780	\$ 19,988	\$ (2,666,963)		\$ (2,666,963)
Judicial	1,818,459	353,328	127,151	(1,337,980)		(1,337,980)
Public Safety	6,399,969	864,091	544,166	(4,991,712)		(4,991,712)
Public Works	7,740,517	6,113	6,524,257	(1,210,147)		(1,210,147)
Health	75,991	82,595	1,189,449	1,196,053		1,196,053
Human Services	10,113,409	-	7,330,174	(2,783,235)		(2,783,235)
Conservation and Recreation	882,953	755,515	134,541	7,103		7,103
Other	962,291	-	-	(962,291)		(962,291)
Capital Outlay	1,648,964	59,101	-	(1,589,863)		(1,589,863)
Debt Service						
Principal Payment	600,000	-	-	(600,000)		(600,000)
Interest and Fiscal Charges	61,300	-	-	(61,300)		(61,300)
Total Governmental Activities	<u>34,122,584</u>	<u>3,252,523</u>	<u>15,869,726</u>	<u>(15,000,335)</u>		<u>(15,000,335)</u>
Business Type Activities						
Nursing Home	7,942,294	7,442,533	156,744		(343,017)	(343,017)
Total Business Type Activities	<u>7,942,294</u>	<u>7,442,533</u>	<u>-</u>		<u>(343,017)</u>	<u>(343,017)</u>
Total Primary Government	<u>\$ 42,064,878</u>	<u>\$ 10,695,056</u>	<u>\$ 15,869,726</u>	<u>(15,000,335)</u>	<u>(343,017)</u>	<u>(15,343,352)</u>
<b>General Cash Receipts</b>						
Property Taxes Levied for:						
General Purposes				1,967,208	-	1,967,208
Developmental Disabilities				1,964,231	-	1,964,231
Sales Tax Levied for:						
General Purposes				3,590,765	-	3,590,765
Public Safety				1,795,376	-	1,795,376
Grants and Entitlements not Restricted to Specific Programs						
Interest				1,090,003	-	1,090,003
Miscellaneous				639,946	-	639,946
Miscellaneous				930,911	-	930,911
Total General Receipts				<u>11,978,440</u>	<u>-</u>	<u>11,978,440</u>
Change in Net Cash Position				(3,021,895)	(343,017)	(3,364,912)
<b>Net Cash Position - Beginning of Year</b>				<u>27,016,764</u>	<u>2,974,131</u>	<u>29,990,895</u>
<b>Net Cash Position - End of Year</b>				<u>\$ 23,994,869</u>	<u>\$ 2,631,114</u>	<u>\$ 26,625,983</u>

See accompanying notes to the basic financial statements.

**Wyandot County, Ohio**  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
December 31, 2023

	<u>General</u>	<u>Public Safety Sales Tax Fund</u>	<u>Motor Vehicle and Gasoline Tax Fund</u>	<u>Angeline DD Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 3,147,648	\$ 1,984,891	\$ 2,492,410	\$ 2,682,605	\$ 13,193,132	\$ 23,500,686
Cash in Segregated Accounts	-	-	-	-	288,971	288,971
<b>Total Assets</b>	<u>\$ 3,147,648</u>	<u>\$ 1,984,891</u>	<u>\$ 2,492,410</u>	<u>\$ 2,682,605</u>	<u>\$ 13,482,103</u>	<u>\$ 23,789,657</u>
<b>Cash Fund Balances:</b>						
Non-Spendable for						
Unclaimed funds	\$ 43,261	-	-	-	-	\$ 43,261
Restricted for						
Roads and bridges	-	-	2,492,410	-	-	2,492,410
Developmental disabilities	-	-	-	2,682,605	1,842,418	4,525,023
Human services	-	-	-	-	2,279,713	2,279,713
Public safety	-	1,984,891	-	-	1,505,305	3,490,196
Capital projects	191,585	-	-	-	656,109	847,694
Debt service	-	-	-	-	140,273	140,273
Judicial programs	-	-	-	-	1,067,887	1,067,887
Property assessments	-	-	-	-	2,013,609	2,013,609
Conservation programs	-	-	-	-	2,453,802	2,453,802
Federal programs	-	-	-	-	1,241,763	1,241,763
Other purposes	-	-	-	-	191,649	191,649
Committed for						
Capital projects	-	-	-	-	61,202	61,202
Other purposes	-	-	-	-	28,373	28,373
Assigned for						
Judicial programs	290,207	-	-	-	-	290,207
Capital projects	149,555	-	-	-	-	149,555
Public safety	87,959	-	-	-	-	87,959
General government	147,429	-	-	-	-	147,429
Subsequent appropriations	1,603,978	-	-	-	-	1,603,978
Unassigned	633,674	-	-	-	-	633,674
<b>Total Cash Fund Balances</b>	<u>\$ 3,147,648</u>	<u>\$ 1,984,891</u>	<u>\$ 2,492,410</u>	<u>\$ 2,682,605</u>	<u>\$ 13,482,103</u>	<u>23,789,657</u>

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Governmental activities in the statement of net position include the cash assets of the internal service fund. In the fund statements these cash assets are reported in proprietary fund statements.

	205,212
<b>Net Cash Position of Governmental Activities</b>	<b>\$ 23,994,869</b>

See accompanying notes to the basic financial statements.

**Wyandot County, Ohio**  
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
Year Ended December 31, 2023

	<u>General</u>	<u>Public Safety Sales Tax Fund</u>	<u>Motor Vehicle and Gasoline Tax Fund</u>	<u>Angeline DD Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts:</b>						
Local Taxes	\$ 5,557,973	\$ 1,795,376	\$ -	\$ 1,964,231	\$ -	\$ 9,317,580
Intergovernmental	1,014,990	-	6,358,444	547,343	9,038,952	16,959,729
Interest	521,655	-	105,364	-	12,927	639,946
Licenses and Permits	428,914	-	-	5,072	853,678	1,287,664
Fines and Forfeitures	115,041	-	601	-	68,032	183,674
Charges for Services	1,042,046	-	-	-	739,139	1,781,185
Other	236,880	-	116,772	42,216	184,457	580,325
Refunds and Reimbursements	622,583	-	-	-	-	622,583
<b>Total Receipts</b>	<u>9,540,082</u>	<u>1,795,376</u>	<u>6,581,181</u>	<u>2,558,862</u>	<u>10,897,185</u>	<u>31,372,686</u>
<b>Disbursements:</b>						
General Government:						
Legislative and Executive	3,351,298	-	-	-	467,911	3,819,209
Judicial	1,467,063	-	-	-	351,718	1,818,781
Public Safety	4,332,373	1,459,189	-	-	609,263	6,400,825
Public Works	-	-	7,740,594	-	-	7,740,594
Health	67,156	-	-	-	8,867	76,023
Human Services	614,343	-	-	2,271,014	7,228,098	10,113,455
Conservation and Recreation	121,020	-	-	-	762,093	883,113
Other	679,243	-	-	64,720	218,328	962,291
Capital Outlay	210,856	-	-	170,000	1,268,108	1,648,964
Debt Service:						
Principal Retirement	-	-	-	-	600,000	600,000
Interest and Fiscal Charges	-	-	-	-	61,300	61,300
<b>Total Disbursements</b>	<u>10,843,352</u>	<u>1,459,189</u>	<u>7,740,594</u>	<u>2,505,734</u>	<u>11,575,686</u>	<u>34,124,555</u>
Excess (Deficiency) of Receipts over Disbursements	<u>(1,303,270)</u>	<u>336,187</u>	<u>(1,159,413)</u>	<u>53,128</u>	<u>(678,501)</u>	<u>(2,751,869)</u>
<b>Other Financing Sources (Uses):</b>						
Other Sources	140,740	-	-	-	-	140,740
Other Uses	(412,737)	-	-	-	-	(412,737)
Transfers In	-	-	-	-	588,069	588,069
Transfers Out	(70,619)	(157,250)	(360,200)	-	-	(588,069)
<b>Total Other Financing Sources (Uses)</b>	<u>(342,616)</u>	<u>(157,250)</u>	<u>(360,200)</u>	<u>-</u>	<u>588,069</u>	<u>(271,997)</u>
<b>Net Change in Fund Balances</b>	<u>(1,645,886)</u>	<u>178,937</u>	<u>(1,519,613)</u>	<u>53,128</u>	<u>(90,432)</u>	<u>(3,023,866)</u>
<b>Cash Fund Balances Beginning of Year</b>	<u>4,793,534</u>	<u>1,805,954</u>	<u>4,012,023</u>	<u>2,629,477</u>	<u>13,572,535</u>	
<b>Cash Fund Balances End of Year</b>	<u>\$ 3,147,648</u>	<u>\$ 1,984,891</u>	<u>\$ 2,492,410</u>	<u>\$ 2,682,605</u>	<u>\$ 13,482,103</u>	

Reconciliation to Statement of Activities:

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

The internal service fund charge insurance costs to other funds. In the statement of activities, the expenditure by the governmental funds are eliminated as well as the corresponding internal service fund receipts. Governmental activities report allocated net internal service fund receipts (disbursements).

	<u>1,971</u>
Change in Net Cash Position of Governmental Activities	<u>\$ (3,021,895)</u>

**Wyandot County, Ohio**  
Statement of Fund Net Position - Cash Basis  
Proprietary Funds  
December 31, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activity</b>
	<b>Nursing Home Fund</b>	<b>Internal Service Fund</b>
<b>Cash Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 2,631,114	\$ 205,212
<b>Net Cash Position</b>		
Unrestricted	\$ 2,631,114	\$ 205,212

See accompanying notes to the basic financial statements.

**Wyandot County, Ohio**  
Statement of Cash Receipts, Disbursements and  
Changes in Fund Net Position - Cash Basis  
Proprietary Funds  
Year Ended December 31, 2023

	<b>Business-Type Activities</b>	<b>Governmental Activity</b>
	<b>Nursing Home Fund</b>	<b>Internal Service Fund</b>
<b>Operating Receipts</b>		
Charges for Services	\$ 7,391,820	\$ -
Interfund Charges	-	3,394,167
Other Operating Receipts	50,713	-
	<u>7,442,533</u>	<u>3,394,167</u>
<b>Total Operating Receipts</b>		
	<u>7,442,533</u>	<u>3,394,167</u>
<b>Operating Disbursements</b>		
Salaries and Benefits	6,068,885	-
Purchased Services	1,220,714	-
Materials and Supplies	605,011	-
Medical Insurance	-	3,392,196
Capital Outlay	47,684	-
	<u>7,942,294</u>	<u>3,392,196</u>
<b>Total Operating Disbursements</b>		
	<u>7,942,294</u>	<u>3,392,196</u>
Operating Loss	(499,761)	1,971
<b>Non-Operating Receipts</b>		
Intergovernmental	156,744	-
	<u>156,744</u>	<u>-</u>
Change in Net Position	(343,017)	1,971
<b>Net Cash Position Beginning of Year</b>	<u>2,974,131</u>	<u>203,241</u>
<b>Net Cash Position End of Year</b>	<u>\$ 2,631,114</u>	<u>\$ 205,212</u>

See accompanying notes to the basic financial statements.

**Wyandot County, Ohio**  
Statement of Fiduciary Net Position - Cash Basis  
December 31, 2023

	<u><b>Custodial Funds</b></u>
<b>Cash Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,190,716</u>
 <b>Net Cash Position</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,190,716</u>

See accompanying notes to the basic financial statements.



**Wyandot County, Ohio**  
Statement of Changes in Fiduciary Net Position - Cash Basis  
Year ended December 31, 2023

	<b>Custodial Funds</b>
<b>Additions</b>	
Property and Other Local Taxes Collected for Distribution	\$ 22,521,555
Fines, Licenses and Permits for Distribution	103,354
Intergovernmental	4,104,963
Amounts Received as Fiscal Agent	2,542,739
Total Additions	29,272,611
<b>Deductions</b>	
Distributions as Fiscal Agent	2,570,079
Distributions to Other Governments	22,804,541
Other Distributions	4,082,998
Total Deductions	29,457,618
Change in Net Cash Position	(185,007)
<b>Net Cash Position Beginning of Year</b>	<b>2,375,723</b>
<b>Net Cash Position End of Year</b>	<b>\$ 2,190,716</b>

See accompanying notes to the basic financial statements.

## 1. DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

Wyandot County, Ohio (the County) 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. The County is governed by a board of three Commissioners elected by the voters of the County. The County Auditor is responsible for the fiscal controls over the resources of the County that are maintained in the funds described below. The County Treasurer is the custodian of funds and the investment officer. Other officials elected by the voters of the County that manage various segments of the County's operations are the Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and a Common Pleas Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serving as the budget and taxing authority, contracting body and chief administrator of public services for the County, including each of these departments.

### Reporting Entity

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The financial statements and notes include all funds, agencies, boards, and commissions, and component units for which Wyandot County and the County Commissioners are "accountable". Accountability was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County. Responsibility was evaluated on the basis of financial dependence and the manifestations of oversight exercised by the Commissioners. Among the factors considered were budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, obligation of the County to finance any deficits that may occur, reliance of the organization on continuing subsidies from the County, selection of governing authority, and designation of management.

Based on the foregoing criteria, the following entities have been evaluated and reflected in the accompanying financial statements and notes as follows:

### Potential Component Units Reported as Custodial Funds

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

County General Health District  
Soil and Water Conservation District  
Family and Children First Council

The County is associated with certain organizations which are defined as Jointly Governed Organizations, a Shared Risk Pool, and an Insurance Purchasing Pool, as follows:

### Jointly Governed Organization

#### Mental Health and Recovery Services

The Mental Health and Recovery Services (MHRS) is a joint venture between Seneca, Sandusky, and Wyandot counties. The headquarters for the MHRS Board is in Seneca County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the MHRS Board is made of 18 members, 10 of the members are appointed by the county commissioners of each respective county, 4 are appointed by the State Department of Mental Health, and 4 are appointed by the State of Ohio Department of Alcohol and Drug Addiction Services. Revenues to provide mental health services are generated through state and federal grants.

The Mental Health Board adopts its own budget, hires and fires staff and does not rely on the County to finance deficits. Financial information can be obtained from the Seneca County Auditor, Seneca County Courthouse, Tiffin, Ohio 44883.

### **Shared Risk Pool**

#### County Risk Sharing Authority, Inc. (CORSA)

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

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

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

### **Insurance Purchasing Pool**

#### County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Although required by Ohio Administrative Code Section 117-2-3(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the County, choose to prepare its financial statements and notes in accordance with the cash basis of accounting. Under this basis of accounting, receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

By using the cash basis of accounting, the County does not report certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

**A. Fund Accounting**

The County uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County classifies each fund as either governmental, proprietary or fiduciary.

**Governmental Funds**

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

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

Public Safety Sales Tax Fund – This fund accounts for monies received from sale tax proceeds restricted for sheriff and emergency medical services provided in the County.

Motor Vehicle and Gasoline Tax Fund – This fund accounts for monies received from state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of roads and bridges.

Angeline Developmental Disability (DD) Fund – This fund accounts for the operation of a school for the developmentally disabled and handicapped individuals within the County. Revenue sources include a County-wide property tax levy and federal and state grants.

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

**Proprietary Funds**

Certain County funds operate similar to business enterprises, where user charges (i.e. charges for services) provide significant resources for the activity. The County classifies these as proprietary funds.

Nursing Home Fund – This fund accounts for the operations to provide care and treatment of elderly and disabled county residents at the Skilled Nursing and Rehabilitation Center.

Internal Service Fund – This fund is used to accumulate and allocate costs of health insurance internally among the County's other programs and activities

**Fiduciary Funds**

Fiduciary funds account for cash and investments where the County is acting as trustee or fiscal agent for other entities or individuals. The County's only fiduciary funds are custodial 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 include funds established to account for undivided tax receipts, the Board of Health, the Soil and Water Conservation District, and the Family and Children First Council. In accordance with GASB Statement No. 34, fiduciary funds are not included in the government-wide statements.

**B. Basis of Presentation**

The County has implemented the provisions of GASB Statement No. 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America and GASB Statement No. 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net cash position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds, are legally required to be budgeted and appropriated.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

**D. Inventory and Prepaid Items**

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

**E. Capital Assets and Depreciation**

Capital assets acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the financial statements.

**F. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the County.

**G. Long-term Obligations**

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease, SBITA (subscription-based IT arrangement) or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

**H. Leases and SBITAs**

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles, and other equipment under noncancelable leases. Lease receivables/deferred inflow of resources and intangible right to use asset/lease payable are not reflected under the County's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The County has entered into noncancelable SBITA contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the County's cash basis of accounting. Subscription disbursements are recognized when they are paid.

**I. Employer Contributions to Cost-Sharing Pension Plans**

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**J. Net Position**

The statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The County first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

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

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

**L. Cash and Investments**

The County maintains a cash and investment pool which is available for all funds. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. All investments of the County had a maturity of five years or less. Investments are stated at cost within the financial statements. Investments with an originally maturity of three months or less at the time of purchase, and investments of the cash and investment pool are reported as cash equivalents on the financial statements.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund were \$521,655, which includes \$483,110 assigned from other County funds.

Cash and cash equivalents that are held separately within departments of the County is presented as "Cash in Segregated Accounts" on the financial statements.

During 2023, the County invested in STAR Ohio (the State Treasury Asset Reserve of Ohio), which is an investment pool managed by the State Treasurer's Office that offers governments within the State the opportunity 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 the County's investments in STAR Ohio and money market funds, fair value is determined by the share price. There are no limitations or restrictions on withdrawals from these investments due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million 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.

**M. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses; proprietary funds report transfers after nonoperating receipts and disbursements. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**N. 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 there are not in spendable form, or legally or contractually required to be maintained intact.

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

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

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

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

The County applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### **O. Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$38,028 are reflected as other revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

### **3. DEPOSITS AND INVESTMENTS**

Statutes require the classification of monies held by the County into two categories. The first category consists of active deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for current demands on the treasury. Inactive deposits may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;



7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. Commercial paper notes in entities incorporated under laws of any state that have assets exceeding \$500 million, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed 10% of the value of outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and specific educational requirements are met;
10. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation (FDIC), that mature not later than 180 days after purchase, and specific educational requirements are met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

#### Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. Of the bank balances totaling \$6,091,125, \$2,441,723 was insured by FDIC. The remaining balance of \$3,649,401 was collateralized with securities held in single financial institution collateral pools in the name of the respective depository bank and pledged as a pool of collateral against all the public moneys it holds or with a qualified trustee and pledged to the Treasurer of State as discussed below. All County demand deposits were either insured or collateralized, in accordance with state law and the County's investment policy.

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

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

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

Investments

At year-end, the County had the following investments:

Investment Type	Credit Rating	Measurement Value	Less than One Year	One to Three Years	Greater than Three Years	% of Portfolio
Federal Farm Credit Bank	AA+	\$ 5,805,849	\$ 2,167,846	\$ 1,886,658	\$ 1,751,345	25.41%
Federal Home Loan Bank	AA+	2,389,141	848,605	855,273	685,263	10.46%
Federal Home Loan Mortgage Corp	AA+	985,038	-	985,038	-	4.31%
Federal National Mortgage Association	AA+	1,420,000	737,490	506,224	176,286	6.21%
Federal Agricultural Mortgage Corporation	AA+	408,724	-	-	408,724	1.79%
US Treasury Notes	N/A	4,946,959	621,261	1,202,261	3,123,437	21.65%
Money Market Funds	N/A	110,357	110,357	-	-	0.48%
Negotiable Certificates of Deposits	N/A	3,329,262	1,478,016	660,965	1,190,281	14.58%
Corporate Notes	AA+	1,425,718	844,356	581,362	-	6.24%
Municipal Bonds	AAA	884,745	-	432,153	452,592	3.87%
STAR Ohio	AAAm	1,143,355	1,143,355	-	-	5.00%
		<u>\$ 22,849,148</u>	<u>\$ 7,951,286</u>	<u>\$ 7,109,934</u>	<u>\$ 7,787,928</u>	<u>100.00%</u>

*Interest Rate Risk* – The County’s investment policy and the Ohio Revised Code state that the maximum maturity for any investment is limited to five years from the date of settlement unless the investment matches a specific obligation or debt. State statute limits investment in commercial paper to a maximum maturity of 270 days and banker acceptances to a maximum of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily.

*Credit Risk* – The County’s investments policy requires that they follow the investment guidelines in Section 135 of the Ohio Revised Code. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and corporate notes are limited to notes rated at the time of purchase to the highest classification established by two nationally recognized standard rating services. The negotiable certificates of deposits are fully insured by FDIC insurance coverage.

*Concentration of Credit Risk* – The County’s investment policy does not place any limit on investments in any single issuer, however state statute limits investments in commercial paper and bankers acceptances to 40% of the interim monies available for investment at any one time.

Fair Value Measurement

The County’s investments reported above are measured and disclosed at fair value according to the following hierarchy:

- Level 1 – Investments reflect prices quoted in active markets
- Level 2 – Investments reflect prices that are based on a similar observable asset either directly, or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment’s risk. The County’s investments, with the exception of STAR Ohio and money market funds, are classified in Level 1. STAR Ohio and money market funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

#### 4. TAXES

##### Property Taxes

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

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

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

The full tax rate of for all County operations for the year ended December 31, 2023 was \$6.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

Real Property:	
Residential/Agricultural	\$ 537,617,430
Commercial/Industrial	66,789,880
Public Utilities	769,460
Tangible Personal Property:	
Public Utilities	<u>45,245,310</u>
Total Assessed Valuation	<u>\$ 650,422,080</u>

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

Public utility tangible personal property taxes paid by multi-county tax payers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The Wyandot County Treasurer collects property taxes on behalf of all taxing districts within the County, including the County. The Wyandot County Auditor periodically remits to the taxing districts, including the County, their portions of the taxes collected.

##### Permissive Sales and Use Tax

The County Commissioners by resolution imposed a one percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget Management then has five days in which to draw the warrant payable to the County. Proceeds of the tax rate are credited to the general and public safety funds. Permissive sales tax revenue for 2023 amounted to \$3,590,765 in the general fund and \$1,795,376 in the public safety sales tax fund.

### Tax Abatements

The County enters into property tax abatement agreements with local businesses by establishing Enterprise Zones, pursuant to Chapter 5709 of the Ohio Revised Code. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments within the County. Under this program, the County can provide tax exemptions for a portion of the value of new real and personal property investment (when that personal property is still taxable) when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible (except as noted within rare circumstances). Specific tax incentives are negotiated by the Commissioners, and an enterprise zone agreement must be in place before the project begins. For 2023, the total abated property taxes pursuant to these agreements was insignificant to the County as a whole.

## **5. RISK MANAGEMENT**

The County is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

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

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

The audited financial statements for CORSA reported the following at April 30, 2023: total assets of \$129.3 million, liabilities of \$60.9 million and net assets of \$68.4 million.

Insurance coverage stayed the same as in the prior year. Settled claims did not exceed the coverage amounts established in any of the past three years.

The County also participates in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to achieve lower worker's compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

## **6. DEFINED BENEFIT PENSION PLANS**

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

### **Net Pension Liability/Net OPEB Asset and Liability**

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

The net pension liability and the net OPEB asset and liability 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 calculation of the net pension liability and net OPEB asset and liability is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

The remainder of this note includes the pension disclosures. See Note 7 for the OPEB disclosures.

#### **Plan Description – Ohio Public Employees Retirement System (OPERS)**

County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. While members (e.g., [Entity] employees) may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information):

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

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

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

	<b>State and Local</b>	<b>Law Enforcement</b>
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	14.0%	18.1%
Employee	10.0%	13.0%**
<b>2023 Actual Contribution Rates</b>		
Employer:		
Pension	14.0%	18.1%
Post-employment Health Care Benefits	*	*
Total Employer	<u>14.0%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>13.0%</u>

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC. For 2022, the rate was 0% for the Traditional Pension Plan, 2% for the Combined Plan, and 4% for the Member-Directed Plan.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$2,133,859 for 2023.

**Plan Description – State Teachers Retirement System (STRS)**

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective on or after August 1, 2023, any member can retire with unreduced benefits with 35 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. Effective July 1, 2022, 2.91% of salaries are used to pay for unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% 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 CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 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 fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The County’s contractually required contribution to STRS was \$12,859 for 2023.

**Net Pension Liability**

The net pension liability for OPERS was measured as of December 31, 2022, and the net pension liability for STRS was measured as of June 30, 2022 (the latest information available). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the County’s defined benefit pension plans:

	OPERS	STRS	Total
Proportionate Share of Net Pension Liability:			
Current Year Liability	\$ 25,053,474	\$ 145,139	\$ 25,198,613
Change from Prior Year	\$ 17,734,148	\$ 59,536	\$ 17,793,684
Proportion of the Net Pension Liability	0.084812%	0.000653%	
Change in Proportionate Share	0.000686%	-0.000017%	

**Actuarial Assumptions – OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation:	
Current measurement period	2.75%
Prior measurement period	2.75%
Future salary increases (including inflation):	
Current measurement period	2.75% to 10.75%
Prior measurement period	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2023, then 2.05% simple
Investment rate of return:	
Current measurement period	6.90%
Prior measurement period	6.90%
Actuarial cost method	Individual entry age



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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 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 arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 to Changes in the Discount Rate**

The following chart represents the County’s proportionate share of the net pension liability at the 6.90% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate of <u>6.90%</u>	1% Increase <u>(7.90%)</u>
County’s proportionate share of the net pension liability	\$37,529,324	\$25,053,474	\$14,675,874

**Actuarial Assumptions – STRS**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	
Current measurement period	Varies by service from 2.5% to 8.5%
Prior measurement period	12.50% at 20 to 2.50% at 65
Payroll increases	3.00%
Investment rate of return:	
Current measurement period	7.00%, net of investment expenses, including inflation
Prior measurement period	7.00%, net of investment expenses, including inflation
Discount rate of return:	
Current measurement period	7.00%
Prior measurement period	7.00%
Cost-of-living adjustments (COLA)	0%

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

The actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actual 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%
	100.00%	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes 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's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0% 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 School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate of 7.00%	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$219,250	\$145,139	\$82,462

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the OPERS or STRS Ohio have an option to choose Social Security or the Ohio Public Employees Retirement System/State Teachers Retirement System of Ohio. The County's liability is 6.2% of wages paid.

**7. POSTEMPLOYMENT BENEFITS**

**Net OPEB Asset/Liability**

Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" became effective in a prior reporting period. See note 6 for a description of the net OPEB asset/liability.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

The OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This 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 refund, 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 a Health Reimbursement Arrangement 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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. 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' ACFR referenced below for additional information.

The ORC 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 ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting [www.opers.org/financial/reports.shtml](http://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 ORC provides the statutory authority requiring 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC. 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. The portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0%.

For the 2023, OPERS did not allocate any employer contributions to postemployment health care.

#### **Plan Description – State Teachers Retirement System (STRS)**

**Plan Description**—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the year ended December 31, 2023, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liability (Asset)**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. For STRS, the net OPEB asset was measured as of June 30, 2022 (the latest date for which information is available), and the total OPEB liability used to calculate the net OPEB 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 respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share:

	OPERS	STRS	Total
Proportionate Share of Net OPEB Liability (Asset):			
Current Year Liability (Asset)	\$ 518,951	\$ (16,906)	\$ 502,045
Change from Prior Year	\$ (3,076,444)	\$ 2,790	\$ (3,073,654)
Proportion of the Net OPEB Amount	0.082306%	0.000653%	
Change in Proportionate Share	0.000653%	-0.000017%	

**Actuarial Assumptions – OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation:	
Current measurement period	2.75%
Prior measurement period	2.75%
Projected salary increases:	
Current measurement period	2.75% to 10.75%, including wage inflation
Prior measurement period	2.75% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	5.22%
Prior measurement period	6.00%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.05%
Prior measurement period	1.84%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2036
Prior measurement period	5.5% initial, 3.50% ultimate in 2034
Actuarial cost method	Individual entry age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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 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 portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	<u>6.00%</u>	1.84%
Total	<u>100.00%</u>	

**Discount Rate**

A single discount rate of 5.22% was used to measure the OPEB liability on the measurement date of December 31, 2022. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 Liability to Changes in the Discount Rate**

The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the County's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (4.22%) or 1.0% point higher (6.22%) than the current rate:

	1% Decrease <u>(4.22%)</u>	Current Discount Rate of 5.22%	1% Increase <u>(6.22%)</u>
County's proportionate share of the net OPEB liability (asset)	\$1,764,927	\$518,951	(\$509,904)

**Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. 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 that in the not-too-distant future, 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% in the most recent valuation.

	<u>1% Decrease</u>	Current Health Care Cost Trend Rate <u>Assumption</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB liability	\$486,054	\$518,951	\$555,138

**Actuarial Assumptions – STRS**

All disclosures related to the actuarial assumptions relate to the amounts used for the total OPEB liability for STRS which was measured as of June 30, 2022 (the latest information available) using the following assumptions, applied to all periods included in the measurement:

Salary increases				
Current measurement period	Varies by service from 2.5% to 8.5%			
Prior measurement period	12.50% at age 20 to 2.50% at age 65			
Payroll increases	3.00%			
Investment rate of return:				
Current measurement period	7.00%, net of investment expenses, including inflation			
Prior measurement period	7.00%, net of investment expenses, including inflation			
Discount rate of return:				
Current measurement period	7.00%			
Prior measurement period	7.00%			
Health care cost trends	<u>Current Measurement</u>		<u>Prior Measurement</u>	
	<u>Initial</u>	<u>Ultimate</u>	<u>Initial</u>	<u>Ultimate</u>
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

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

The actuarial assumptions used in the June 30, 2022 valuation are based on the results of the latest available actual 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:

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Rate of Return*</b>
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%
	100.00%	

*\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.*

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

### Discount Rate

The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.



**Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rates**

The following table presents the School District's proportionate share of the net OPEB asset calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate of 7.00%</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net OPEB asset	\$15,629	\$16,906	\$17,999

  

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's proportionate share of the net OPEB asset	\$17,535	\$16,906	\$16,111

**8. DEBT OBLIGATIONS**

The following represents the activity of the County's long-term debt obligations for 2023:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
General Obligations:					
Refunding Bonds					
Series 2013	\$ 140,000	\$ -	\$ 140,000	\$ -	\$ -
Various Purpose Bonds					
Series 2017	1,915,000	-	460,000	1,455,000	475,000
Totals	<u>\$ 2,055,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 1,455,000</u>	<u>\$ 475,000</u>

**General Obligation Bonds**

In 2013, the County issued \$1,270,000 in General Obligation Refunding Bonds with interest rates ranging from 3.75 to 4.30%. The purpose of this issue was to advance refund the County's outstanding various purpose general obligation bonds, series 2003, which were issued to finance various projects throughout the County, including the construction and renovation of the offices used by Jobs and Family Services. These bonds will be repaid from the bond retirement fund and matured during 2023.

In 2017, the County issued \$4,300,000 of Various Purpose General Obligations Bonds to finance the renovations of the EMS building and construction of a new County garage. These bonds carry interest rates from 0.95% to 3.00% and mature in 2026. These bonds will be repaid from the bond retirement fund.

Annual debt service requirements to maturity for general obligation bonds outstanding at year-end are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 475,000	\$ 43,650	\$ 518,650
2025	480,000	29,400	509,400
2026	500,000	15,000	515,000
	<u>\$ 1,455,000</u>	<u>\$ 88,050</u>	<u>\$ 1,543,050</u>

**9. INTERFUND TRANSACTIONS**

The County reported the following transfers for the year ended December 31, 2023:

Transfers-Out Fund	Transfers-In Fund	Amount
General Fund	Non-Major Governmental Funds: Regional Planning Fund HAVA Fund	\$ 67,294 3,325 <hr style="width: 50%; margin-left: auto; margin-right: 0;"/> 70,619
Public Safety Sales Tax Fund	Non-Major Governmental Funds: Debt Service Fund	157,250 <hr style="width: 50%; margin-left: auto; margin-right: 0;"/> 157,250
Motor Vehicle and Gasoline Tax Fund	Non-Major Governmental Funds: Debt Service Fund	360,200 <hr style="width: 50%; margin-left: auto; margin-right: 0;"/> 360,200
	Total	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/> <u>\$ 588,069</u>

Transfers from the General Fund are used to move monies that are used to subsidize various programs into other governmental funds and for repayment of debt obligations. The Public Safety Sales Tax Fund and the Motor Vehicle and Gasoline Tax Fund transferred monies to the non-major governmental funds required to meet debt service obligations.

**10. CONTINGENT LIABILITIES**

**Grants**

The County receives financial assistance from federal and state agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2023 will not have a material adverse effect on the County.

**Litigation**

There are claims and lawsuits involving the County which are pending. In the opinion of the County Prosecutor, any potential liability cannot be assessed at this point in the proceedings. It is not anticipated the ultimate resolutions of these matters will have a material effect on the County's financial statements.

Wyandot County, Ohio  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

FEDERAL GRANTOR Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Award Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Jobs and Family Services</i>			
SNAP Cluster:			
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	JFS850002	\$ 57,649
Total SNAP Cluster			<u>57,649</u>
<i>Passed Through Ohio Department of Agriculture</i>			
Agriculture Conservation Easement Program	10.931	NRCS	<u>60,909</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>118,558</u></b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Pass through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	93.667	(1)	13,940
<i>Passed Through Ohio Department of Jobs and Family Services</i>			
Social Services Block Grant	93.667	JFS200002	<u>189,746</u> 203,686
CCDF Cluster:			
Child Care and Development Block Grant	93.575	JFS850002	<u>9,597</u>
Total CCDF Cluster			9,597
Children's Health Insurance Program	93.767	JFS200002	204,997
Child Support Enforcement	93.563	JFS400002	235,877
Promoting Safe and Stable Families Program	93.556	JFS200002	28,804
Temporary Assistance for Needy Families (TANF)	93.558	JFS850002	459,405
Foster Care Title IV-E	93.658	JFS200002	380,177
Adoption Assistance Title IV-E	93.659	JFS200002	230,315
Stephanie Tubbs Jones Child Welfare Services Program	93.645	JFS200002	3,033
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	JFS200002	78
Elder Abuse Prevention Interventions Program	93.747	JFS200002	40,267
Medicaid Cluster:			
Medical Assistance Program	93.778	JFS850002	<u>307,586</u>
Total Medicaid Cluster			<u>307,586</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>2,103,822</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	(1)	6,500
Special Education Preschool Grants	84.173	(1)	<u>1,059</u>
Total Special Education Cluster (IDEA)			<u>7,559</u>
COVID-19 GEER	84.425C	(1)	<u>3,648</u>
<b>Total U.S. Department of Education</b>			<b><u>11,207</u></b>

(Continued)

Wyandot County, Ohio  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023  
(Continued)

FEDERAL GRANTOR Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Award Disbursements
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Unemployment Insurance	17.225	(1)	11,380
WIOA Cluster:			
WIOA Adult Program	17.258	(1)	34,713
WIOA Dislocated Worker Formula Grants	17.278	(1)	10,973
WIOA Youth Activities	17.259	(1)	13,559
Total WIOA Cluster			<u>59,245</u>
<b>Total U.S. Department of Labor</b>			<b><u>70,625</u></b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	BD-21-1DC-4 BD-22-1DC-1	1,992,703 13,000 <u>2,005,703</u>
Home Investment Partnerships Program	14.239	BD-21-1DC-1 SC-21-1DC-1 SC-22-1DC-2	98,488 18,660 23,100 <u>140,248</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>2,145,951</u></b>
<b><u>U.S. ELECTION ASSISTANCE COMMISSION</u></b>			
<i>Passed through the Ohio Secretary of State</i>			
HAVA Election Security Grants	90.404	(1)	<u>10,000</u>
<b>Total U.S. Election Assistance Commission</b>			<b><u>10,000</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through the Ohio Department of Public Safety</i>			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	(1)	392
Highway Safety Cluster:			
State and Community Highway Safety	20.600	(1)	4,497
Total Highway Safety Cluster			<u>4,497</u>
<b>Total U.S. Department of Transportation</b>			<b><u>4,889</u></b>
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>			
<i>Passed through the Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(1)	1,483,181
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-LEP-1082	<u>168,517</u>
<b>Total U.S. Department of the Treasury</b>			<b><u>1,651,698</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 6,116,750</u></b>

(1) Pass Through Entity Number Unknown

See notes to the Schedule of Expenditures of Federal Awards.

WYANDOT COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**A. Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Wyandot County, Ohio, and is presented on the cash-basis of accounting. The information in this schedule is presented 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 this Schedule only presents a selected portion of the operations of the County, it is not intended to and does not present the financial position or change in net position of the County.

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

**B. Matching Requirements**

Certain federal programs require the County to contribute non-federal funds (matching funds) to support federally-funded programs. The expenditure of non-federal (matching) funds is not included on the Schedule of Expenditures of Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Wyandot County, Ohio  
Board of County Commissioners  
109 South Sandusky Avenue  
Upper Sandusky, Ohio

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, each major fund, and the aggregate remaining fund information of Wyandot County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2024, wherein we noted the County reported on the cash-basis of accounting.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2023-001.

**The County's Response to Finding**

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

**Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 24, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Wyandot County, Ohio  
Board of County Commissioners  
109 South Sandusky Avenue  
Upper Sandusky, Ohio

**Report on Compliance for Each Major Federal Program****Qualified and Unmodified Opinions**

We have audited Wyandot County, Ohio's (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Funds*

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027) for the year ended December 31, 2023.

*Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, the 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

**Basis for Qualified and Unmodified Opinions**

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

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

*Matter Giving Rise to Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Funds*

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2023-002 for Reporting.

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



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

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.

### **Auditors' Responsibilities for the Audit of Compliance**

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

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

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

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

### **Other Matters**

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

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

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

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

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 24, 2024

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Type of auditors’ report issued on compliance for major programs:	Modified for ALN 21.027 and unmodified for all other major programs.
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major programs:	
ALN 21.027: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
ALN 14.228: Community Development Block Grants	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

## **Section II – Financial Statement Findings**

### **2023-001: Ohio Administrative Code Section 117-2-3(B)**

Ohio Administrative Code Section 117-2-3(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). Wyandot County has elected to prepare and submit its annual financial report on the cash-basis of accounting. The accompanying financial statements and notes omit material assets, liabilities, fund equities and disclosures required by GAAP.

*Management Response: Please see response in County's Corrective Action Plan.*

## **Section III – Federal Awards Findings and Questioned Costs**

### **2023-002: Reporting – Coronavirus State and Local Fiscal Recovery Funds ALN #21.027**

#### ***U.S. Department of Treasury***

*Criteria:* The U.S. Department of Treasury established reporting requirements for local governments. These requirements established methods and timelines for reporting Coronavirus State and Local Fiscal Recovery Fund (SLFRF) expenditures to the U.S. Department of Treasury.

*Condition:* The County reported inaccurate amounts on the annual project and expenditure report.

*Context:* During our review of the annual expenditure report, we noted the County incorrectly reported expenditures amounts for the period January 1, 2023 through April 30, 2024 instead of the correct period of April 1, 2023 through March 31, 2024. As a result, the amount of reported expenditures for the twelve month reporting period was overstated by \$380,855.

*Effect:* The County was not in compliance with reporting requirements in 2023.

*Cause:* Lack of knowledge related to the reporting requirements of the SLFRF program and no effective review procedures included within the County's internal control over compliance.

*Recommendation:* We recommend the County improve controls over reporting requirements associated with this program, including having individuals responsible for monitoring and reporting program activity obtain a better understanding of the reporting requirements of the Treasury reporting portal.

*Management Response: Please see response in County's Corrective Action Plan.*



# George W. "Bill" Kitzler

## Wyandot County Auditor

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109 South Sandusky Ave. – Room 21 • Upper Sandusky, Ohio 43351 • Tel (419) 294-1531 • Fax (419) 209-0408

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Wyandot County, Ohio  
Schedule of Prior Audit Findings  
December 31, 2022

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>County's Explanation Of Correction</u></b>
2022-001	ORC 117.38/OAC 117-2-3(B) requires counties to file GAAP basis financial statements.	Not Corrected	Wyandot County has made the management decision that GAAP basis financial statements are not worth the additional cost it would take to produce them



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Wyandot County, Ohio  
Corrective Action Plan  
December 31, 2023

<b><u>Finding Number</u></b>	<b><u>Planned Corrective Action</u></b>	<b><u>Anticipated Completion</u></b>	<b><u>Responsible Contact Person</u></b>
<b>2023-001</b>	N/A – County views cash-basis financial statements appropriate as GAAP statements would cost additional monies and be of no appreciable benefit.	N/A	Board of County Commissioners (419) 294-3836
<b>2023-002</b>	Treston Hall, County Administrator, will seek out training opportunities before December 31, 2024 related to the ever changing reporting requirements associated with CLFRF to ensure future reporting periods are properly presented.	December 31, 2024	Treston Hall County Administrator (419) 294-3836



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# OHIO AUDITOR OF STATE KEITH FABER



## WYANDOT 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 7/25/2024

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  
[www.ohioauditor.gov](http://www.ohioauditor.gov)